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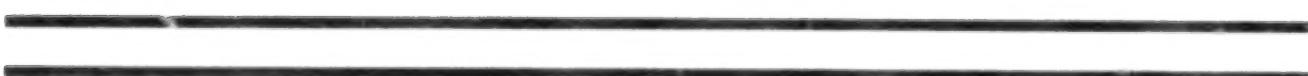
11 December 1992

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***CENTRAL EURASIA***

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# FBIS Report: Central Eurasia

FBIS-USR-92-158

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**Stories of Four Americans Held in Ukraine Since 1930's**

93P50025A Moscow KOMSOMOLSKAYA PRAVDA  
in Russian 18 Nov 92 pp 2-3

[Article by A. Chepakin and D. Khrupov: "They Kept Their American Passports and Believed in a Bright Future—Mikhail Was Born in the United States, Lost in the USSR, and Found in the CIS"]

[Text] The declaration by Russian President Boris Yeltsin to the U.S. Congress, that we would find every American who was in Soviet camps and return them to their families and friends, was met with joy by Americans. The mood was less optimistic on the Russian side. Even before the visit, Gen Dmitriy Volkogonov declared that success in the search was improbable. But such people were found, even though for more than fifty years they did not, as they say, "figure on the lists." And nonetheless, for all that time they shared the fate of the inhabitants of our country: They worked in kolkhozes and factories, went to war, did time in prisons and camps. However, none of this was of their own free will.

We were able to meet with four of them during our last trip to western Ukraine.

After the partition of Poland in 1939 about 50 U.S. citizens were in the territory annexed to the USSR. It was suggested to all of them that they renounce their American citizenship. Most of those who refused were promptly sent to "Stalin's" camps. However, in time even those who exchanged their passports for Soviet ones shared their fate. Many of them perished, a few were able to return to their homeland, but these four remained to live in Ukraine.

Bogdan Ivanovich KARISHIN was born in 1923 in New York. Now he lives in the village of Zavereshchitsy, Gorodokskiy Rayon, Lvov Oblast. He and his wife Valentina Demyanova are pensioners.

His father owned a furrier's shop. The family spent part of its income to buy 60 hectares of land and a cattle farm in Poland. In 1939 the Soviets seized everything but did not send him to Siberia, apparently because of his American passport. After he completed secondary school he worked as a village teacher. He did not work during the occupation.

After the liberation by the Red Army he went to the U.S. Embassy in Moscow and received a passport for exit from the USSR through Vyborg. He gave these documents to OVIR to get a visa. Instead, he fell into the clutches of State Security. In five months they beat a confession of espionage out of him, and "tacked on" an article slandering the Soviet system. They gave him 25 years. He went through the camps in Komsomolsk-na-Amure and Omsk. He was released in 1954. His wife, a teacher, waited for him; she had been pregnant when he was arrested. It was very difficult to find work. She worked as a bookkeeper and as a labor and art teacher.

In 1975 the son of his brother, who had remained in the United States, came to the USSR to see his relatives. But the KGB allowed him to go no further than Lvov. So the meeting never took place.

He would very much like to see his relatives in America, but plans to die in Ukraine. He has three children here. In 1990 he was rehabilitated.

Bogdan Ivanovich's sister Emiliya Ivanovna SHAKHRYA was also born in the United States. After secondary school she became a teacher. She was unable to go to America since her dying sister begged her not to leave her children. Until retirement she worked as the chief bookkeeper of a hospital. She does not have an American passport, but plans to get one "for the sake of my children and grandchildren."

Margaret Mikhaylovna KRIVENKO came to Poland in 1930 after the death of her father in the United States. Her mother took them to Beregovo in Transcarpathia [as published], where her grandfather and grandmother lived. For more than 40 years she worked as a cashier in a city bath. She and her brother Yuriy received letters from the United States but were afraid to answer them. She does not plan to get a passport. Even though it was possible, she did not even want to go to Hungary. She has a daughter and a granddaughter, who is in school.

Mikhail Ivanovich SEMKO was born on 3 October 1919. His father went to Poland and left his children there temporarily with his relatives, since their mother had died; he himself went back to America.

He fought in the Fourth Ukrainian Front as a machine-gunner and went as far as Prague, where he was wounded. He holds military honors: the orders of the Red Star and the Patriotic War, as well as medals.

After the war he and his brother Ivan Ivanovich received an invitation from their father but were not able to leave. He refused to accept Soviet citizenship, so he was fired from his job. With difficulty he found work at a sugar factory, where he worked until he retired in 1988. Like Karishin, he has an American passport. He plans to leave with his children and grandchildren. In the 1970's the KGB seized almost all his documents and the family archives. He lives in the village of Petrichi, Lvov Oblast.

**Commentary on UN Role in Contemporary International Politics**

934C0444A Moscow KRASNAYA ZVEZDA in Russian  
1 Dec 92 p 3

[Article by M. Pogorelyy: "Crown of Democracy or Dictatorship of the Superpowers? On the Role of UN in International Politics Today"]

[Text] An open and frank discussion of the principles underlying the organization and activity of the Security Council developed in the course of the 47th Session of the UN General Assembly, probably for the first time in recent times. There has been talk for quite some time now behind the scenes concerning the need for such a reform. The point is that many countries of the world, making up a

considerable bloc today by virtue of economic, political, and demographic factors, consider themselves deprived of full representation in the community of nations. Many countries, such as, for example, India, Egypt, Brazil, etc., regard as unjust the fact that they cannot play as decisive a role in the Security Council as the permanent members. Others, specifically Germany and Japan, believe that such limitations—vestiges of World War II, are totally unsuitable in light of the realities of our day.

In this connection it should be noted that two years ago a new image of the Organization of United Nations began forming. From a huge "debating society", which was frequently the site of heated ideological and political skirmishes, UN began changing into an organ of international interaction in the interests of ensuring universal peace and security. It was specifically these tasks that were delegated to this organization at the time of its formation. The first landmark in the new stage of activity of the community of nations consisted of the unified action against Iraq which at that time occupied the territory of a sovereign nation, UN member state Kuwait. Further development of the situation around Iraq, however, and certain aspects of the attempts to handle the Yugoslav crisis, once again focused the attention of the world community on the fundamental principles underlying the activity of the United Nations, particularly with regard to its peacemaking mission.

In the opinion of many observers, one of the principal organs of the UN, and the most representative one, the General Assembly, which consists of all 179 members of the UN, is practically without any rights with respect to issues involving peacemaking and application of sanctions against certain countries. In accordance with the UN Charter absolute power in the resolution of these issues belongs to the Security Council. It, in turn, adopts resolutions which place into full operation the mechanism of compulsory measures, including use of international armed forces, by a majority of nine votes (out of 15). But with mandatory unanimity of votes by the permanent members—Russia (formerly, USSR), U.S.A., Great Britain, China, and France, any one of these countries has the right to block the adoption of a decision by vetoing it.

In this manner the fate of the world is actually determined by five great powers. Is such a situation the highest achievement of democracy? "No, actually that is super-power dictatorship. But this was specifically the way that the UN was conceived and created in the years of the Second World War by Stalin, Roosevelt, and Churchill"—is the opinion of certain well-known politicians today. At that time, the British, American, and Soviet antifascist wartime alliance formed and was leading us toward victory over a common enemy. Later, when the situation in world politics and correspondingly, the deployment of forces on the world arena underwent a radical change, the leading role of the Security Council made it possible to block any resolution through the use of veto power, in a more or less effective manner defending the sovereignty of states of either the socialist or capitalist camp, which belonged to one or the other group of Third World countries.

The report of Boutros Ghali, the UN secretary general, titled "World Agenda," with regard to that matter, notes that from the moment the UN was created more than 100 major conflicts have occurred in the world resulting in the death of more than 20 million people. In many of the crisis situations UN was deprived of the possibility of doing anything because of the veto power used by permanent members of the Security Council. In that period it was used a total of 279 times. (Mister "No" was the semi-official nickname of the Soviet representative at the UN in the early postwar years.)

Upon the termination of the "Cold War," following the summer of 1990, this veto power has not been used. Does that signal the advent of unanimity in the UN, or at least in the Security Council? Not necessarily, since the permanent members may also abstain (which is, for example, frequently now done by China), while the votes of temporary members of the Security Council do not play a decisive role, if no more than six countries are voting "No." Another tendency has also been noted recently—transfer of the powers of the Council to individual groups of states. For example, in the report of the UN Secretary General, mentioned earlier, it states that in the case involving the situation in relations between Iraq and Kuwait the Council deemed it necessary to authorize member states to carry out measures in its (the Council's) behalf. We are speaking about participants of the anti-Iraq coalition. In that manner, however, a group of states acquires greater powers than the entire UN General Assembly, and acts at its own discretion, sanctioning its actions on the basis of a mandate from the world community.

It is possible that two years ago that was somehow justified, even though there were quite a few opponents of such a decision. The precedent, however, is being repeated. The recent action of three UN members, permanent members of the Security Council, U.S.A., Great Britain, and France, against Iraq were also sanctioned by a UN mandate... but one that is two years old. At that time we were dealing with the aggression of Iraq against Kuwait. Now the domestic policy of Iraq is involved. Whether the White House likes Saddam Husein, or not, is one matter. While the position incorporated in the documents of the UN itself to the effect that in situations involving a domestic crisis the UN must respect the sovereignty of the states is a different matter. To act otherwise in fact constitutes a violation of the principles of the UN Charter. Nevertheless, Brent Scowcroft, security adviser to the President of the USA, speaking about action with regard to introduction of the no-fly zone over the territory of Iraq south of the 32nd parallel, announced the fulfillment of UN decisions even stating that implementation of these sanctions will determine the answer to the question concerning the effectiveness of that organization.

There is no doubt that the UN must not be transformed into a "debating society" again. It must be a working organization fulfilling the role assigned to it when it was created—the role of a guarantor of international peace and security. But the intensification of its effectiveness hardly

lies in the accretion of the military component of the UN, police functions, and the further legal extension of the power of already powerful members. Rather, it is necessary to pursue the strengthening of guarantees for the weak.

Many believe that this can be accomplished by transferring some of the functions of the Security Council to the UN General Assembly. Another matter is how to work out a system that would avoid endless delays in the adoption of important decisions. We have heard the following proposals, for example: the Security Council could continue to prepare the drafts, but they would then be brought out for a general vote. Such a plan would be much more democratic, even though, apparently it would not always suit the mighty permanent members. By the way, the question concerning their veto power has been debated for a long time—how democratic is that instrument? This problem was discussed anew at the 47th session of the General Assembly.

Another question was repeatedly raised at the UN: the question concerning permanent membership. The special powers of the leaders in the antifascist struggle were justified or even understandable in 1945, but in 1992 they sometimes raise doubts. Germany is different now and so is Japan. Some of the biggest powers with a population in excess of 100 million, with ever growing economic potential—Brazil, Egypt, India, Indonesia, Mexico, and Nigeria, are contending for a new role in their regions and in world politics as a whole. Depriving them of the right to participate as equals in the formation of world-wide policy is perceived by them as a not very healthy division of states into first, second, and even third-class countries.

Finally, one more problem. Judging by the discussions taking place in the UN, it pertains to the judicial functions of this organization. As commonly known, that function is performed by the International Court in the Hague, which is also a member of the United Nations. The jurisdiction of that court, however, is facultative and it can consider disputes between states only with their mutual consent. Decisions of the Security Council, however, cannot be disputed at all—they are final and not subject to appeal, like verdicts of a revolutionary tribunal. Moreover, the Security Council takes part in the appointment of judges in the Hague as well.

That is why there are also thoughts to the effect that the jurisdiction of the International Court must change under the new conditions. It must function not under the Security Council and not under the General Assembly, but on a par with them. Their decisions must be subject to appeal in the Supreme Court whose decisions would be dictated only by the postulates of international law. By the way, to ensure the independence of judges they should be elected for life and not for nine years as it is done at present.

In summarizing what was said, it is necessary to recognize that the discussion concerning the need to work out a more democratic procedure for adoption of decisions and gradual rejection of the dominant role of only five, even if the most powerful, members of the UN, held at the 47th session of the General Assembly, has some very substantial grounds. It is assumed that the results of the discussion will be summed up in a special report by the secretary general.

### Commonwealth Agriculture Production Figures Reported

#### Crop, Livestock Production, Procurement

934A0291A Moscow ZEMLYA I LYUDI in Russian No 43, 23 Oct 92 p 3

[Article by L. Vashchukov, chief of the Department for Food and Agricultural Statistics of the CIS Committee for Statistics: "The CIS Agro-Industrial Complex: The Results of the Nine Months of 1992"]

Table 1 shows the data on the grain harvest and average threshing yield per hectare in the CIS states as of 12 October of this year.

Table 1

	Total Grain Threshed (in Initial Book Weight), Million Tonnes			Average Yield Per Hectare of Threshed Area, Quintals	
	1991	1992	1992 as a Percentage of 1991	1991	1992
Azerbaijan	1.3	1.3	99	21.3	21.7
Armenia	0.1	0.065	65	19.9	30.6
Belarus	6.9	7.6	109	28.4	31.0
Kazakhstan	12.3	29.3	238	6.5	14.5
Kyrgyzstan	1.0	1.3	121	23.8	26.2
Moldova	1.6	1.4	88	33.4	33.7
Russia	90.5	102.2	113	16.2	19.7
Tajikistan	0.2	0.2	99.4	10.3	9.3
Turkmenistan	0.4	0.5	149	20.1	20.4
Uzbekistan	1.2	1.3	102	15.5	15.4
Ukraine	34.5	36.0	104	27.5	29.9

As compared with last year, this year the volume of grain procurement for state stocks has increased in most Commonwealth countries. By 12 October in the Commonwealth as a whole 45.8 million tonnes of grain had been delivered to state procurement centers, which is 9 million tonnes, or 24 percent, more than by this time last year. The volume of procured grain has more than tripled in Kazakhstan,

increased 2.6-fold in Turkmenistan, almost doubled in Uzbekistan, and increased 1.5-fold in Belarus. At the same time, the share of grain procurement in the total threshed yield produced by agricultural enterprises varies considerably depending on the Commonwealth region. The volume of grain procurement in the current year and its share in the total threshed yield by Commonwealth states are shown in Table 2.

Table 2

	Total Grain Procured, Thousand Tonnes			Share of Procured Grain in Total Threshed Volume, in Percents	
	As of 12 October 1992	As of 14 October 1991	1992 as a Percentage of 1991	As of 12 October 1992	As of 14 October 1991
Azerbaijan	282	294	96	22	23
Armenia	59	49	119	50	63
Belarus	1,605	1,099	146	21	16
Kazakhstan	10,257	2,902	353	35	24
Kyrgyzstan	135	124	109	11	12
Moldova	299	343	87	21	21
Russia	21,548	20,682	104	21	23

Table 2 (Continued)

	Total Grain Procured, Thousand Tonnes			Share of Procured Grain in Total Threshed Volume, in Percents	
	As of 12 October 1992	As of 14 October 1991	1992 as a Percentage of 1991	As of 12 October 1992	As of 14 October 1991
Tajikistan	11	22	51	6	11
Turkmenistan	201	78	258	38	22
Uzbekistan	782	501	156	61	40
Ukraine	10,600	10,677	99	29	31

Corn for grain has been harvested from 0.8 million hectares, which yielded a total of 2.3 million tonnes; by this date in 1991, 1.3 million hectares and 4.2 million tonnes, respectively, had been harvested. The yield per hectare amounted to only 27 quintals as compared with 31.5 quintals in 1991. The main negative factor in this were unfavorable weather conditions. There will be considerably less corn grain harvested this year than the last—approximately by 7.8 million tonnes.

As of 12 October, sunflowers in the Commonwealth states had been harvested from 1.8 million hectares (39 percent of the area sown). Last year by this date it had been harvested from 3.5 million hectares (78 percent). The average yield of sunflower seed per hectare of harvested area amounts to 13.7 quintals this year, as compared to 13.3 quintals last year.

The yield of sugar beet per hectare will probably be lower overall than that of last year. Only on the farms of Russia and Kazakhstan is the yield higher than last year.

By 12 October, agricultural enterprises had gathered 13.5 million tonnes of potatoes, as compared with 16 million tonnes last year. Also, their share in the total output of kolkhozes and sovkhozes keeps falling annually. Currently, the main producers of the "second bread" are the population's private plots, where the yield is as a rule higher. Total gross harvest of potatoes in all categories of agricultural entities is estimated at approximately 60 million tonnes, as compared with 61.7 million tonnes last year. The production of vegetables in the Commonwealth countries will not exceed last year's level (25.2 million tonnes), and will amount to about 25 million tonnes. However, provided that potatoes and vegetables are stored adequately, the supply of these products for the Commonwealth population may be quite satisfactory.

Cotton procurement is considerably below that of last year, which is partially due to reductions in the areas sown with this crop. As of 12 October, 1.947 million tonnes had been procured, which is almost three times less than in 1991.

The situation with fodder is developing in an unsatisfactory way. In most Commonwealth states, its stocks are considerably lower than veterinary norms. The total volume of coarse and juicy fodder stocks in absolute feed units is 10 percent below that of last year. This will result in lower productivity, cattle herd reductions, and in the final analysis in diminished production of animal husbandry products.

As of 5 October of this year, fodder stocks at agricultural enterprises in Russia amounted to 13 quintals of feed units per absolute head of cattle, as compared with 13.6 quintals by the same date last year; in Belarus, the figures were, respectively, 12 and 14.9; in Tajikistan—six and 9.2. This year, fodder stocks are higher than last year only at the farms in Kazakhstan, Moldova, and Kyrgyzstan.

Animal husbandry in the former Union republics has been in decline since 1989; the production of farm output is continuously falling, the cattle herd is diminishing, and its productivity is declining. As a result, the consumption of meat, milk, and eggs in all Commonwealth states is declining. They are increasingly being replaced in the human diet by bread and potatoes.

Fodder shortages are not the only cause of such an alarming situation; it is also the economic and political instability, the disparity that has emerged in prices for agricultural and industrial products, and the high cost of material and technical resources and of mixed fodder. Another negative factor affecting the state of affairs in animal husbandry is the aging of the rural population, while the great labor intensity of production and the lack of proper mechanization persist. The problem of the realization of the output has also become acute lately. There are many instances of processing enterprises not accepting products which then go to waste for this reason.

The negative processes in animal husbandry continue. The result is that over the past three quarters there has been a sharp decline in the numbers of cattle and poultry everywhere; mortality has gone up, and productivity, down. This has had a negative impact on the volume of animal husbandry products output.

As compared with 1 October 1991, the herd of horned cattle overall in the CIS has declined by 4.9 million units (six percent); of pigs—by 6.5 million (14 percent); of sheep and goats—by 8.8 million (nine percent). The decline in the herd of breeding cattle is cause for some alarm. Overall in all CIS agricultural entities, the herd of cows has declined over this period by six percent. Within this figure, the decline of the cow herd at Kyrgyzstan's farms amounted to 10 percent, in Moldova—even percent, and in Belarus and Russia—six percent.

A perceptible trend toward an increase in the cattle herd has been noticed lately in the individual sector. Privately owned entities in the CIS countries currently account for almost one-quarter of all horned cattle and pigs, and more

than one-third of the cows, sheep, and goats. This has been helped by the repeal of restrictions on keeping animals, the implementation of the land reform, the creation of private farms, and difficulties with purchases of animal husbandry products through regular trade channels. The number of all categories of cattle in private hands increased especially in Uzbekistan, Kyrgyzstan, and Russia. The increased herd in the individual sector partially compensates for the losses in the production of output that has occurred because of the herd cutbacks by agricultural enterprises.

Because of the feed shortages, there have been sharp cutbacks at poultry-breeding enterprises. Overall in the CIS, the poultry stock in kolkhozes, sovkhozes, and inter-farm enterprises has declined by more than 24 million, or by three percent.

In addition to the cutbacks in the cattle herd and poultry stocks, considerable losses of the resource potential in the production of animal husbandry products result from the

high rate of cattle mortality and the decline of their productivity. In 1992, 3.2 million head of horned cattle died at CIS agricultural enterprises (111 percent as compared with the 1991 level), as well as 8.6 million pigs (110 percent), and 10.7 million sheep and goats (106 percent). Because of the difficult situation, sharply increased prices for all services and goods, and difficulties in obtaining pharmaceutical supplies, high cattle mortality persists, actually increasing in a number of regions.

Cow productivity continues to decline. For instance, during the elapsed January-September period of 1992, as compared with the same period of 1991, the average yield of milk per cow in Russia fell by 12 percent; milk yields have also declined in other CIS countries.

The diminished herd of cattle, its considerable mortality, and the decline in productivity have translated into a diminished volume of production of basic animal husbandry products, which is evidenced by the data in Table 3.

Table 3

## Output of Animal Husbandry Products

	Meat, Thousand Tonnes (In Live Weight)		Milk, Thousand Tonnes		Eggs, Million Units	
	January-September 1992	As a Percentage of January-September 1991	January-September 1992	As a Percentage of January-September 1991	January-September 1992	As a Percentage of January-September 1991
Azerbaijan	59	77	187	68	204	69
Armenia	10	41	11	60	74	31
Belarus	865	79	3,376	81	1,544	92
Kazakhstan	808	69	2,227	78	1,679	82
Kyrgyzstan	90	73	297	72	255	84
Moldova	155	67	677	85	399	70
Russia	5,502	78	27,177	83	23,602	87
Tajikistan	37	64	164	74	206	64
Turkmenistan	57	81	163	96	138	90
Uzbekistan	187	78	678	92	746	65
Ukraine	2,500	80	11,800	79	5,600	81

Giving agricultural enterprises the right to realize their products at market prices, the widespread practice of product swapping (barter trade), and selling through farmers markets and proprietary stores have reduced

the volume of deliveries to state stocks. The procurement of the basic categories of animal husbandry products has fallen in all CIS states, which is reflected in Table 4.

Table 4

## Total Procured in January-September 1992

	Cattle and Poultry (In Live Weight)		Milk		Eggs	
	Thousand Tonnes	As a Percentage of January-September 1991	Thousand Tonnes	As a Percentage of January-September 1991	Million Units	As a Percentage of January-September 1991
Azerbaijan	60	73	170	59	190	70
Armenia	11	24	37	31	76	32
Belarus	852	77	3,466	75	1,236	90
Kazakhstan	669	60	1,817	72	1,274	73

Table 4 (Continued)

## Total Procured in January-September 1992

	Cattle and Poultry (in Live Weight)		Milk		Eggs	
	Thousand Tonnes	As a Percentage of January-September 1991	Thousand Tonnes	As a Percentage of January-September 1991	Million Units	As a Percentage of January-September 1991
Kyrgyzstan	83	68	240	65	201	71
Moldova	117	57	547	81	317	74
Russia	4,872	71	21,958	76	17,506	76
Tajikistan	24	44	134	69	163	57
Turkmenistan	54	87	156	98	136	91
Uzbekistan	174	71	636	87	658	64
Ukraine	2,400	76	9,800	76	4,300	74

The worsening food supply and sharp increases in food prices have contributed substantially to an increase in the volume of production of animal husbandry products in the individual sector. By preliminary estimates, this year the increase in the cattle herd and the output of animal husbandry products in the private sector will remain at the 1991 level; however, that cannot make up completely for the volume of the overall lag.

What can the population of the CIS countries expect in 1992? Considering the current situation, one can predict almost with certainty that this year all of us will get considerably less meat, milk, and eggs. Overall in all CIS countries, the annual output of meat is expected to amount approximately to 15 million tonnes (in slaughter weight), which is 14-16 percent less than in 1991; 84 million tonnes of milk (12-13 percent less); and 68-69 billion eggs (10 percent less). The output of animal husbandry products will fall this year in all CIS states.

Preliminary estimates show that, as compared with 1991, the production of meat in Russia will decline by 14-15 percent; of milk—by 12 percent; and of eggs—by 10 percent; in Ukraine—by 13 percent, 14 percent, and 10 percent, respectively; in Belarus—by 16-18 percent, 13

percent, and four percent; and in Kazakhstan—by 15-17 percent, 10 percent, and 11 percent.

Consequently, food prices will continue to increase. The Committee on Prices of the Russian Federation estimates that by the end of the year, the price of meat will rise to R260 per kg, of milk—to R15 per liter; and of butter—to R280 per kg.

## Livestock Products Production, Procurement

934A0291B Moscow DELOVOY MIR in Russian  
20 Oct 92 p 13

[Article by Leonid Vashchukov: "Animal Husbandry in the CIS Countries"]

[Text] In addition to all other factors, a developed, economically strong state is also characterized by its citizens' nutrition. In the former Soviet Union the populace's consumption of high-calorie food products—such as meat and meat products—was far below the level of developed countries—the United States, France, England, and Germany. With respect to milk and eggs, our country "looked fine" against the background of world achievements. This is clear from the 1989 figures shown below.

## Per Capita Consumption of Animal Husbandry Products

	Meat and Meat Products as Converted to Meat (Without Lard and By-Products), Kg	Milk and Milk Products as Converted to Milk, Kg	Eggs, Units
USSR	59	363	268
United States	113	263	229
France	94	412	263
Germany	93	359	253
England	70	313	193

It should be kept in mind that the methodology for determining the consumption of meat in different countries is practically the same and corresponds to the FAO [Food and Agriculture Organization] guidelines. It is meat on the bones of all categories of animals (horned cattle, pigs, sheep, goats, poultry, and game) consumable as food. This does not include lard and second category by-products.

The consumption of animal husbandry products in the former republics differed considerably. In Ukraine, for instance, the per capita consumption of meat (without lard and by-products) amounted to 58 kg; in Belarus—60; in Russia—67; and in Kazakhstan—61 kg. At the same time, the per capita consumption in Uzbekistan was 27 kg; in Turkmenistan—39; and in Tajikistan—26 kg.

Since 1989, animal husbandry in the former Union republics has been in decline; farm output has been systematically declining; the cattle herd is diminishing; and productivity is falling. As a result, the consumption of meat, milk, and eggs in all Commonwealth states is declining. For instance, per capita consumption of meat in Ukraine in 1991 fell by three kg as compared with 1989; in Russia and Turkmenistan—by six; in Tajikistan—by three; in Uzbekistan—by one kg; and so on. The consumption of milk and milk products, as well as eggs, also is declining.

The shortage of animal fodder, which is noted as the primary factor by many specialists, is not the only cause of this, however. Economic and political instability, pricing policy, and the high cost of material and technical resources also contribute to the industry's degradation.

Another serious factor is the aging of the rural population and the lack of needed labor mechanization. Lately, the problem of selling the products has been added to the aforementioned factors. Quite often industrial processing enterprises do not accept the product from producers, and it is simply destroyed.

The negative processes in animal husbandry continue this year. Over the elapsed half-year, agricultural enterprises everywhere cut back on the herd of cattle and poultry; mortality has increased; and productivity has declined. This has had a negative impact on the sales of animal husbandry products. The data below shows the changes in the herd of cattle in kolkhozes, sovkhozes, and interfarm enterprises in the Commonwealth member countries:

	Cattle		Including Cows		Pigs		Sheep and Goats		(thousand units)
	As of 1 July 1992	As a Percentage of 1 July 1991	As of 1 July 1992	As a Percentage of 1 July 1991	As of 1 July 1992	As a Percentage of 1 July 1991	As of 1 July 1992	As a Percentage of 1 July 1991	
Azerbaijan	...	...	...	...	...	...	...	...	...
Armenia	33.7	66	9.5	79	74.6	87	50.9	59	
Belarus	5,933.8	96	1,608.0	94	2,972.8	87	153.7	83	
Kazakhstan	6,107.9	92	1,712.9	96	1,957.4	80	33,826.1	88	
Kyrgyzstan	611.0	90	182.1	93	205.7	85	6,712.4	82	
Moldova	755.7	92	280.9	94	1,344.5	92	466.5	90	
Russia	42,716.0	94	14,111.0	95	22,391.0	86	43,760.0	87	
Tajikistan	503.5	97	136.8	97	115.2	97	1,815.1	98	
Turkmenistan	374.9	102	94.2	100.3	235.5	100.7	4,599.2	105	
Uzbekistan	1,544.7	99	428.4	99.5	452.5	90	6,066.4	97	
Ukraine	20,148.5	95	5,869.2	95	11,263.1	88	6,940.9	86	
Total CIS	78,729.7	94	24,433.0	95	41,012.3	87	104,391.2	88	

As compared with 1 July 1991, the herd of horned cattle overall in the CIS has declined by 4.72 million (six percent); of pigs—by 6.191 million (13 percent); of sheep and goats—by 13.603 million (12 percent). Somewhat alarming is the decline in the herd of breeding cattle. Overall at all CIS agricultural enterprises, the herd of cows has decreased during this period by five percent. Within that figure, the decrease in the herd of cows in Armenia amounted to 21 percent, in Kyrgyzstan—by seven percent, in Belarus and Moldova—by six percent, and in Ukraine and Russia—by five percent. The decrease in the breeding herd undermines the foundation of the industry development as a minimum for the next two to three years.

There has been lately a perceptible trend toward an increase in the cattle herd in the individual sector. Currently 23 percent of horned cattle, 35 percent of cows, 25 percent of pigs, and 30 percent of sheep and goats are privately owned by the CIS populace. The greatest increase of herd of all categories of cattle in private ownership has been registered in Uzbekistan, Kyrgyzstan, and Russia. It is estimated that the cattle herd increase in the individual

sector should offset to a certain degree the decline in the herd and in the production of animal husbandry products that has taken place at agricultural enterprises.

Because of fodder shortages, poultry-breeding enterprises sharply reduced poultry stocks. Overall in the CIS during the elapsed year, poultry stocks in kolkhozes, sovkhozes, and mixed enterprises have declined by more than 24 million units, or by three percent.

In addition to cutbacks in the cattle herd and poultry stocks, considerable losses of the resource potential in the production of animal husbandry products result from high cattle mortality. In 1991, 3.2 million units of horned cattle died at CIS agricultural enterprises (111 percent as compared with the 1990 level), as well as 8.6 million pigs (110 percent), and 10.7 million sheep and goats (106 percent).

Cow productivity continues to decline. For instance, over the elapsed January-July period of 1992, the average yield of milk per cow in Russia has declined by 13 percent as compared with the same period in 1991; milk yields have declined in other CIS countries as well.

The diminished herd of cattle, its increasing mortality rate, and the decline in productivity have translated into a diminished volume of production of basic animal husbandry products. In January-August of this year, CIS agricultural enterprises produced 8.8 million tonnes of meat (in live weight), 42.2 million tonnes of milk, and 31.2

billion eggs. This is less than the output produced over the same period in 1991: meat—by 3.6 million tonnes, or 23 percent; milk—by 9.6 million tonnes (19 percent); and eggs—by 5.5 billion (by 15 percent). Overall in the Commonwealth countries the production of animal husbandry products amounted to (thousand tonnes):

	Meat (in Live Weight)		Milk		Eggs, Million	
	January-August 1992	As a Percentage of January-August 1991	January-August 1992	As a Percentage of January-August 1991	January-August 1992	As a Percentage of January-August 1991
Azerbaijan	50.0	77	175.0	70	186.0	72
Armenia	9.1	44	10.0	58	71.5	33
Belarus	757.0	79	3,069.8	81	1,394.0	93
Kazakhstan	685.3	70	1,992.9	78	1,513.6	82
Kyrgyzstan	70.5	76	265.8	72	236.8	86
Moldova	132.3	66	614.2	85	365.9	71
Russia	4,749.6	78	24,517.3	83	21,216.4	88
Tajikistan	32.8	68	153.5	79	186.1	65
Turkmenistan	48.6	81	130.0	97	127.9	91
Uzbekistan	159.7	77	601.7	92	673.3	66

Giving agricultural enterprises the right to sell their products at market prices, the widespread practice of product swapping (barter trade), and selling at farmers markets and in proprietary stores have reduced the volume of deliveries to state stocks. Over the elapsed eight months in the CIS as a whole, state procurement of cattle and poultry amounted

to 7.9 million tonnes (3.3 million tonnes, or 30 percent, less than during the corresponding period of 1991); milk—34.7 million tonnes (11.5 million tonnes, or 25 percent, less); and eggs—23.3 billion (7.8 billion, or 25 percent, less). The procurement volume has declined in all Commonwealth states, which is evidenced by the following data:

#### Total Procured in January-August 1992

	Cattle and Poultry (in live weight)		Milk		Eggs	
	Thousand Tonnes	As a Percentage of January-August 1991	Thousand Tonnes	As a Percentage of January-August 1991	Million	As a Percentage of January-August 1991
Azerbaijan	42	59	158	61	175	70
Armenia	9	25	34	31	75	36
Belarus	747	77	3,125	76	1,121	92
Kazakhstan	562	61	1,616	72	1,153	74
Kyrgyzstan	59	68	214	64	182	71
Moldova	101	53	498	79	268	74
Russia	4,176	71	19,546	76	15,347	75
Tajikistan	22	48	126	73	152	59
Turkmenistan	36	76	137	99	88	68
Uzbekistan	152	83	563	87	586	64
Ukraine	2,000	72	8,700	74	4,130	77

The decline in the volume of production and procurement of animal husbandry products, the worsening food supply, and steep increases in food prices have contributed substantially to a rise in the number of private farms keeping animals, and to a certain increase in the volume of production of animal husbandry products in the individual sector. By preliminary estimates, this year the increase in the cattle herd and the output of animal

husbandry products in the private sector will remain at the 1991 level; however, it cannot make up completely for the decline in the production of meat, milk, and eggs that has taken place at public agricultural enterprises as compared with the preceding year. Neither is the situation with fodder very encouraging. There is less of it being laid in than last year. Overall in the CIS enterprises as of 7 September, the stocks of fodder in storage per absolute

head of cattle amount to 9.5 quintals of feed units, as compared with 11.0 quintals of feed units in 1991. There has been less fodder laid into stocks in practically all of the Commonwealth states, with the exception of Kazakhstan.

Considering the current situation, one can predict almost with certainty that this year all of us will get considerably less meat, milk, and eggs. Overall in all CIS countries, the annual output of meat is expected to amount approximately to 15 million tonnes (in slaughter weight), which is 14-16 percent less than in 1991; 84 million tonnes of milk (12-13 percent less); and 68-69 billion eggs (10 percent less). The output of animal husbandry products will fall this year in all CIS states.

Preliminary estimates show that, as compared with 1991, the production of meat in Russia will decline by 14-15 percent; of milk—by 12 percent; and of eggs—by 10 percent; in Ukraine—by 13 percent, 14 percent, and 10 percent, respectively; in Belarus—by 16-18 percent, 13 percent, and four percent; and in Kazakhstan—by 15-17 percent, 10 percent, and 11 percent.

Consequently, the lines for meat, milk, eggs, and the products of their processing will not get shorter, while prices will definitely jump, and quite steeply. Other factors that will contribute to it will be a decline in the production of animal husbandry products, higher procurement prices, the declining value of the ruble, and the issuance of privatization vouchers. As estimated by the Committee on Prices of the Russian Federation, by the end of the year the price of meat will rise to R260 per kg, of milk—to R15 per liter; and of butter—to R280 per kg. Keeping in mind, however, that the Committee's estimates are often on the low side, and that prices on energy will go up three- to four-fold; real prices will probably be 25-30 percent higher than the estimates. By the way, 10 eggs already cost R60-65 in Moscow these days.

#### Montage From Bakatin Book on Attempt 'To Make KGB Safe'

934C0439A Alma-Ata KARAVAN in Russian  
23 Oct 92 p 26

[Unattributed article: "V. Bakatin: 'I Attempted to Make the KGB Safe'"]

[Text] We are such that our interest is stimulated in those "who were nothing and became everything" and those "who were everything and became nothing." Since there was a change in power, a lot of both have appeared. Many are burning with the desire to express themselves. It is now V. Bakatin's turn. We are offering to the attention of our readers an excerpt from the book "Deliverance from the KGB" published by the "Novosti" Publishing House.

In 1989 - 1990 dossiers were destroyed on orders of the leadership of the committee and "the furnaces were checked after the burning," which was reflected in the appropriate official documents. Some individual documents, however were preserved and they provide a good idea of the mentality of the KGB leadership at the time of Brezhnev.

The KGB posed a threat to society not just as a mechanism of repression. The committee was one of the main, if not the main, source of that information on the basis of which decisions were made at the highest levels of state leadership. The informational policy of the KGB is largely responsible for the fact that the economy of the USSR was drained as a result of the murderous military buildup, along with the objective logical consequence of the political conflict between two systems.

What did the KGB represent in the years of perestroika and what was it like when I arrived after being appointed its chairman?

Its central apparatus contained around 30 chief directorates, plain directorates and independent departments.

The First Chief Directorate (PGU)—was intelligence which was at first headed by Vladimir Kryuchkov himself, and then by a key intelligence operative Leonid Shebarshin. In recent years an entire series of publications have already drawn an aura of romanticism around that organization with a huge headquarters at Yasenev

It was the misfortune of the intelligence service that its main consultant and client was invariably the International Department of the CPSU Central Committee, which had global interests of a highly specific nature. Even though the PGU no longer sent its agents abroad for the purpose of liquidating some "enemy of Soviet power" or an ambassador, as it was under Stalin, or to do away with a well-known dissident, which is what happened as late as in the times of Khrushchev, it did remain part of the mechanism of repression. As it now became known a lot of information which was submitted as a product of covert agent operations was actually gleaned from the mass media and doctored to please the center.

The Second Chief Directorate (VGU)—was counterintelligence which was headed by Gennadiy Titov. That is tedious, delicate work the success or failure of which is difficult to measure. I do recall a man working on the so-called "English line" coming in once and saying: "I will go into retirement and there is nothing to remember. A life has been wasted. It is not enough that we never caught anyone. I was constantly wasting my time and continue to do so, I don't know what for."

Counterintelligence in the armed forces was handled by the Third Chief Directorate whose representatives worked in the army in so-called "special departments."

Matters of security and counterintelligence in the field of transportation was managed by the Fourth Directorate, which was headed by Yuriy Storozhev, one of the most experienced and oldest of the KGB workers. Problems pertaining to economic security were within the purview of the Sixth Directorate of the KGB.

The KGB saw the growing structures of free entrepreneurship as virtually the most important threat. Under Kryuchkov the KGB engaged in an active struggle against so-called "economic sabotage," which was interpreted quite arbitrarily. In the end the matter came to surveillance over the activity of cooperative operators and a

search for canned food hidden by the stores. Thousands of agents were assigned to investigate the contents of warehouses. Such "operations" were conducted with great pomp and extensive press coverage. It was assumed that the appearance of meat and canned food, extracted from under the counter and shown on television screens, would cause the consumers, used to empty store shelves, to be grateful to the KGB.

The KGB, however, had undeniable success in the area of dissidence. The notorious Fifth Department was engaged in this dirty business and by the end of the eighties it was renamed Department "Z"—for the protection of the constitutional order. The KGB conducted covert technical operations in violation of not only the existing legislation but their own KGB instructions against a large number of state and public figures. Thus, external surveillance was conducted covering people's deputies of the USSR Boris Yeltsin, Telman Gdlyan, and practically all of the leaders of the Inter-Regional Deputy Group. Their telephones as well as the telephones of their relatives and friends were tapped. After their election to the Russian Parliament the telephones of certain people's deputies of the RSFSR in their apartments, summer homes, and in rest areas were also tapped. Even the phones of individuals like Raisa Gorbacheva's beautician and Yeltsin's tennis coach were tapped.

All telephone monitoring work was done almost exclusively by personnel from the women's department, where young women with a knowledge of one or several foreign languages and a phenomenal memory for voices would work for a relatively low wage. These poor people were forced to listen to so much that some of them cracked under psychological stress.

The KGB also managed a large and completely invisible underground system, command posts for running the country in an emergency period which could function even in extraordinary situations of a nuclear war. They are maintained in perfect order. It is curious that signs of the ideologizing of the KGB were visible even there: bookshelves in the bunker from which the president would command the armed forces in case of nuclear attack contained the Full Collection of Works by Lenin. Professionalism was killed by ideology. This would be funny were it not so sad. The Communist core of the KGB in its own way determined what the head of state would need at a critical moment.

Before joining the KGB I was confident of the great intellectual-analytical potentials of that organization. I will say quite frankly, however, that disappointment awaited me there. The Analytical Department was created just a little over a year ago and has not yet had the opportunity of getting up on its feet. The activities of informational-analytical subdivisions existing practically in every directorate and a number of scientific institutes were not really coordinated by anyone. Streams of almost totally raw information converged on the desk of the KGB chairman who decided what information was worthy of attention at the highest levels of government. It is possible to say much about the weakness of analytical work. One argument,

however, is sufficient—it was specifically the KGB analysts who elaborated the ideology and the scenario of that infamous state upheaval that failed in August of 1991.

At present it is already clear that in order to attain its goals the KGB did not hesitate to use even those measures that were clearly of a provocative nature. The committee was directly involved in the well-publicized "A.N.T Case" with the supercooperative created by the government and destroyed by it as well. Judging by everything this "case" was needed by the orthodox as an excuse to "clamp down" on the very idea of cooperatives and entrepreneurship. Or let us look at the equally well publicized "case of the 140 billion" inspired by the KGB to discredit the Russian government.

The Committee for State Security was the source of "international fronts" in those union republics which manifested obstinacy in relations with the center. The vicious logic of "divide and rule" promoted the splitting of society in those republics into two irreconcilable camps, leading to an aggravation of social tension. Instead of a patient dialogue and a calm and weighted approach to the resolution of contradictions developing between republics and the center, there was the following scheme: "You do not want to obey—then accept the international front which will call for strikes and raise the question concerning borders of the republic and legality of the organs of power elected there." Then the activity of those international fronts was highlighted by the Committee for State Security as "a manifestation of the people's will."

It is necessary to recognize that Gorbachev was under the strong influence of the KGB. He trusted Kryuchkov and the information he provided. This predetermined that now commonly known change in the course of perestroika in the autumn of 1990.

A direct test of the KGB forces was carried out in January 1991 at Vilnius which resulted in the tragedy of fresh victims. Despite the evidence at hand, including the senseless death of a young officer from the "Alpha" Group, KGB denied any participation in the Vilnius events and was forced to abate its ardor to a certain degree.

The attempt to repeat the Lithuanian scenario but this time on the scale of the entire USSR was dictated primarily by the inexorable development of the process of democratic reforms, which left no hope for forces and structures from the past.

Despite the participation of many of the highest leaders of the USSR KGB in the plot, they did not receive the support of most of the agents of the Committee itself. As I was informed, a majority of personnel of the central KGB apparatus in those days were simply sitting in their offices receiving no instructions or aimlessly wandering the streets of the capital.

The putsch failed. As fate willed it I wound up in the organization that inspired terror in people for decades. I had a decisive attitude with regard to the reformation of the KGB. In those days of universal jubilation in the light of the victory of democratic forces, however, I could not foresee even part of those difficulties which lie in my way.

At that time I did not know that I will be allowed only a little more than three months in order to attempt to make the KGB safe for society.

**Railway Cooperation Agreements****Documents Signed**

93440382A Moscow GUDOK in Russian 17 Nov 92 p 1

[Unattributed article: "Goal: Close Mutually Beneficial Cooperation"]

[Text] **Important documents on coordination of railway operations were signed by the Council of Heads of Governments of the Commonwealth.**

The question concerning activity of the Council on Railway Transport of the Commonwealth States along with urgent problems concerning political and economic interaction were studied at a session of the Council of Heads of Governments of the Commonwealth which took place on 13 November in Moscow.

Two important documents were signed: on extension of the term of operation of the statute establishing the Council on Railway Transport of the Commonwealth States and on the division of the inventory fleets of freight cars and containers of the former Ministry of Railways of the USSR and their subsequent joint utilization.

Speaking at the session of the Council of Heads of Governments of the Commonwealth, G. M. Fadeev, minister of railways of the Russian Federation, praised the decision to set up the Council on Railway Transport.

He noted that this timely decision made it possible to preserve technological unity in the operation of the railway system under complicated conditions. In the first stage the main task of the Council was creation of the operational system of railway transport under conditions created by the formation of independent states. The resolution of that task made it possible to establish stable operation of railway transport, completing various shipments, and, first of all, those connected with the preparation of the national economy of the countries for work under winter conditions, and shipments connected with the withdrawal of the Western and Northern groups of the armed forces.

Questions pertaining to the export of fruits and vegetables were successfully resolved. Around 1.5 million tonnes of these products were shipped from Central Asia, 150,000 from Azerbaijan, 170,000 tonnes from Turkmenistan, and around 200,000 tonnes from Moldova, which corresponds to the planned volumes. During September - November over 350,000 tonnes of potatoes were shipped from Poland, including 183,000 tonnes to Uzbekistan, 92,000 to Moscow, 36,000 to Turkmenistan, and 43,000 to Azerbaijan. Some 40 million tonnes of imported grain for consumers in CIS countries were shipped from maritime ports and border crossing points. The task of exporting 5,400,000 tonnes of grain of the new harvest from Kazakhstan was completed within a short period of time.

These and other highly important shipping operations, completed within short time periods, were possible only with reliable interaction among railways of all the Commonwealth states, unified under the aegis of the Council on Railway Transport, G. M. Fadeev stressed.

The Council and its executive organ, the directorate, worked out basic technological documents over the past period which regulate the operation of railway transport within the boundaries of the Commonwealth countries. This, first of all, includes the transportation schedule, a plan for marshaling freight trains, and monthly operational norms for rolling stock. The most important place in the work of the Council (in accordance with instructions of the heads of state) is occupied by the problem of division, further utilization, technical servicing, and repair of the fleet of freight cars and containers.

This is a complex problem, the minister observed. A fleet of 1,800,000 railcars is being divided. With the participation of all railway administrations the Council prepared the draft of an interstate agreement on the transfer of freight cars, containers, and their further joint utilization. This draft agreement was submitted for review to all the heads of state of the Commonwealth. The Council on Railway Transport proposed that a decision be made regarding that question.

It is envisaged that each state will own a certain number of railcars, which it is obligated to repair and maintain, while operation of the railcar fleet will be carried out on the basis of the existing technology of railway operations which, as indicated by world experience, is the most effective system.

Work was carried out to coordinate levels of freight and passenger tariffs in interstate transport and elaborate a coordinated tariff policy in the shipment of transit freight.

In addition to that agreements were worked out and introduced on determination of the volume of freight shipments and operational parameters of the fleets of railcars, as well as on the organization of work of interstate switching points, based on economic interrelations among the railways.

A decision was adopted within the framework of the Council to elaborate a traffic schedule, plan for the marshalling of trains and establish the order in which direction of railcar flow is to be determined in interstate transport for 1993 - 1994 in the Commonwealth countries.

Basic principles in the preservation and development of the informational system of railways of the various states were worked out for the purpose of organizing the management of the transportation process and passenger services.

The work of the Council includes participation of heads of railway administrations of Latvia, Lithuania, and Estonia, which permits coordinated resolution of questions involved in shipment of freight from maritime ports of the Baltic states.

Furthermore, as chairman of the Council on Railway Transport of the Commonwealth States G. M. Fadeev dwelt on problems that complicate the work of the railway lines. For instance, because of the complex sociopolitical situation in a number of countries the movement of trains in certain directions was halted or is totally non-existent which leads to delays in the delivery of freight and its loss.

Rail traffic between Armenia and Azerbaijan has not been renewed since April of this year. As a result thousands of railcars with freight for enterprises in Armenia stand idle. Movement of transit freight to Iran was interrupted as a result of which over 3,000 railcars have remained idle since April on the Azerbaijan railway. Traffic on the Adler - Sukhumi sector of the Georgian railway was stopped on 16 August.

On 20 October executives of railway administrations of states belonging to the Commonwealth, as well as of those in Georgia, Latvia, Lithuania, and Estonia adopted an appeal to the heads of state of Azerbaijan, Armenia, and Georgia concerning reinstatement of unhindered rail traffic between these republics.

Because of events of a sociopolitical nature in individual regions complaints have surfaced concerning failure to ensure secure and unhindered travel of passengers and operating personnel on interstate routes. It is understandable that the railroad personnel alone cannot resolve these problems without government help.

The Council on Railway Transport, on its behalf, will continue taking measures to ensure stable operation of the railways of countries belonging to the Commonwealth, and completion of shipments in stipulated volumes. G. M. Fadeyev assured the participants of the session. At the same time, he stressed that all railway administrations have the same opinion that under conditions created by the shipment of freight based on joint utilization of freight cars and containers, which are the property of the states of the Commonwealth, there is a need for constant coordination of railway operations. At the fifth session of the Council in Minsk in October results of the operation of railways for the past period were studied and a decision was made to request the heads of state of countries belonging to the Commonwealth to extend the statute on the Council on Railway Transport, whose term is expiring on 31 December 1992.

#### Statute Term Continued

93440382B Moscow GUDOK in Russian 17 Nov 92 p 1

[Decision on Extension of the Term of Statute on the Council on Railway Transport of Commonwealth States]

[Text] The Council of the Heads of Governments of the Commonwealth of Independent States, proceeding from the need for a further development of mutually advantageous cooperation, ensurance of stable interstate economic ties, coordination of the operational activity of railways,

and the joint utilization of railcars and containers as well as their technical servicing, repair, and mutual accounting, resolved:

1. To note the importance of work done in 1992 by the Council on Railway Transport of Commonwealth States on coordination in the operation of railway transport at the interstate level, elaboration of coordinated principles pertaining to its functioning, and preparation of standardization documents on the joint operation of fleets of freight cars and containers.
2. To extend the term of the statute on the Council on Railway Transport of Commonwealth States for an indefinite period.
3. To permit the Council on Railway Transport of Commonwealth States to introduce changes and additions in the statute on the Council on Railway Transport of Commonwealth States upon the agreement of all members of that Council.

#### On Dividing Railcar Fleet

93440382C Moscow GUDOK in Russian 17 Nov 92 p 1

[Decision on Division of Fleet Inventory of Freight Cars and Containers of the Former Ministry of Railways of the USSR and Their Further Joint Utilization]

[Text] The Council of Heads of Governments of the Commonwealth of Independent States, after studying the draft agreement on division of the fleet inventory of freight cars and containers of the former Ministry of Railways of the USSR among member states of the Commonwealth, Azerbaijan Republic, Republic of Georgia, the Latvian Republic, Lithuanian Republic, and the Estonian Republic and their further joint utilization, resolved:

1. To agree with the draft agreement on this question in the part pertaining to Commonwealth member states. Determination of the fleet of freight cars and containers for states not belonging to the Commonwealth of Independent States to be made after negotiations with them concerning all transportation property of the former USSR.
2. To charge ministers of foreign affairs of the Commonwealth states along with the Council on Railway Transport of Commonwealth States and other interested ministries and agencies with the conducting such negotiations and reporting their results at a regular session of the Council of the Heads of Governments.

Done in the City of Minsk on 13 November 1992 in one original copy in the Russian language. The original copy to be deposited in the Archives of the Government of the Republic of Belarus, which will forward a certified copy of this statute to all of the signatory states.

## POLITICAL AFFAIRS

**Gaydar Draft of Congress Decree on Reforms**

934C0467A Moscow DEN in Russian  
No 48, 29 Nov 92-5 Dec 92 p 1

[Article by Shamil Sultanov: "And the Young Gaydar Is in Front...Again?"]

**[Text] The government of "Russian reformers" headed by Ye.T. Gaydar has prepared its own draft decree for the Seventh Congress of People's Deputies of the Russian Federation concerning its activity. It is published in full below.**

**Draft decree of the Seventh Congress of People's Deputies of the Russian Federation on the Socioeconomic Situation and the Course of Economic Reforms in the Russian Federation**

Having heard the report of the acting chairman of the government of the Russian Federation, Ye.T. Gaydar, concerning the socioeconomic situation and the course of economic reforms in the country, the Congress of People's Deputies of the Russian Federation notes that, in keeping with the decree of the Sixth Congress of People's Deputies of the Russian Federation, the government of the Russian Federation has continued to take practical measures to improve the economic situation and further implement reforms. Efforts are being made to stabilize the monetary-financial situation, support production, and stimulate investments; preparations have been made for implementing deep institutional transformations, including a program of national privatization; measures are being taken to maintain the viability of the national economy; and the monopolies of state structures in the spheres of production and distribution are being overcome. Preconditions have been created for moving on to the second stage of deepening the socioeconomic reforms.

At the same time the situation is still difficult in a number of branches of the national economy and in the financial and credit-monetary spheres, the decline of industrial production continues, tendencies toward reduction of employment of the able-bodied population are growing, and the standard of living of a number of social strata is declining. Because of the lack of coordination of the actions of the government and the Central Bank of the Russian Federation, control over the credit-financial policy was weakened, which stimulated the growth of inflation. The interaction between the government and the Supreme Soviet of the Russian Federation, on the one hand, and the local organs of power and administration, leaders of enterprises, labor collectives, trade unions, and social associations, on the other, is not at the proper level.

The government is not devoting enough attention to problems of the socioeconomic development of regions and the granting of real rights to them for the implementation of economic reforms. Frequently questions of supporting culture, science, education, and public health are outside the government purview.

The Seventh Congress of People's Deputies of the Russian Federation decrees:

1. To take under advisement the report of the acting chairman of the government of the Russian Federation, Ye.T. Gaydar, on the socioeconomic situation and the course of economic reforms in the country.
2. To instruct the government of the Russian Federation to take measures aimed at solving the following high-priority problems:
  - the implementation of immediate measures for improving the economy;
  - stabilization of the credit-monetary system, weakening of the inflation processes, improvement of the price policy;
  - prevention of mass unemployment and provision of social protection for discharged workers;
  - implementation of measures for forestalling the crucial decline of production, the implementation of an active structural and conversion policy, and financial and organizational support for enterprises of the most important sectors of the economy;
  - implementation of effective measures for targeted social protection of the underprivileged and disabled groups of the population;
  - development of entrepreneurial activity;
  - boosting of foreign economic activity, support of Russian exports, and stimulation of the enlistment of foreign investments;
  - protection of the interests of the Russian Federation in relations with countries of the Commonwealth of Independent States;
  - development of an effective regional policy and thorough consideration of the interests of the socioeconomic development of the regions of Russia.

**A brief commentary. The impudence of our "boys in pink trousers" is well known. Here we shall cite some figures refuting the lies of the "reformers." They are well known as well.**

Notice the glaring illogic of what are supposed to be the facts in the text itself. "The decline of industrial production continues," since the "government of the Russian Federation has continued to take practical measures to improve the economic situation." "...efforts to stabilize the monetary-financial system..." stimulated a "growth of inflation." "Measures are being taken to provide for social protections" and therefore the "standard of living of several social strata is declining" and "there is a growing tendency toward reduction of the employment of the able-bodied population," etc.

The "Chicago boys" from Staraya Square further insist that they be the ones to continue the "improvement" of the economy (until it collapses completely), effect a "weakening of inflation processes" (to the point of stable hyperinflation), step up foreign economic activity as before (so that

**billions of dollars will be left in foreign banks as before), etc. And they fondly dream about having the Seventh Congress adopt such a decree!**

**Note: Not a word is said about corruption in this draft.**

**Do you think it was by accident?**

#### **Officers Present Ultimatum to Congress**

**934C0467B Moscow DEN in Russian  
No 48, 29 Nov 92-5 Dec 92 p 1**

**[Article by Rodina Officers' Association: "The Demand of the Officer Corps"]**

**[Text] We Soviet officers are constantly being fed the idea that there is no alternative to our present political course.**

**They tell us: "The highest goal of the reform of the Armed Forces is their qualitative improvement and a significant reduction of militarily unjustified material and monetary expenditures." Then they present all kinds of projects for redistribution of the funds received for social protection programs.**

**But the facts are these: The Armed Forces are being reduced, but they are being reduced in direct proportion to the level of social protection of practically all strata of the society, in which, deception, poverty, embezzlement of public funds, the most dangerous kinds of crime, prostitution, drug addiction, alcoholism, and base selfish interests are flourishing more and more clearly.**

**The current powers that be are afraid: They are taking our personal weapons away from us, they are using social rights and guarantees as blackmail, and they are winning people over with cheap sops and rich promises. They are trying to get rid of us, leaving in our place a pathetic band of their corrupt supporters.**

**Neither the present government nor its protectors across the ocean needs a strong army. All their promises are nothing but a political word game played by political intriguers who have forgotten the concepts of honor, conscience, and homeland. And in practice, with respect to the officers, they are implementing a well-thought-out social policy aimed at ultimate destruction of the army.**

**In the context of the processes taking place in society, we officers are deeply dissatisfied and alarmed by the practical actions of state officials, the unjustified reduction of our staffs, the retirement into the reserve of high-level professional specialists in the leading branches of military affairs, the plans for their occupational retraining with a considerable reduction in social status, the actual lack of measures for social protection of military servicemen and their families, and, finally, the fact that this activity is accompanied by outright deception and glaring illegality which nobody tries to conceal.**

**It is difficult to understand the policy of the present government, which is seriously developing a program of restoration of agriculture of Russia on the depopulated territory between Moscow and St. Petersburg by drawing into farming the Armed Forces officers who have been released into the reserve. It is no secret that here they**

**intend to take advantage of the socially active people who have one or two higher education degrees, good intellectual skills, management ability, a high sense of civic duty and responsibility for the matters entrusted to them, honesty and decency, and a genetic predilection for respect for the law and devotion to their homeland, who work well with people and have led large military collectives.**

**Is it true that the untalented, incompetent people who have weasled their way into leadership positions want to place the best of their compatriots in hard agricultural work because they are afraid of them and see in them a real chance of solving the personnel problem, at which the "democrats" failed, but solving it while looking out for state interests?**

**Now that the state is being degraded before our eyes, now that unprecedented corruption is eating it away, now that the official authorities cannot ensure safety and social guarantees for its citizens, we on behalf of the entire officer corps of the Soviet Army demand that the Seventh Congress of People's Deputies of the Russian Federation immediately adopt a law on reinforcing all organs of state power from top to bottom with officers who are retiring. We demand immediate enactment of this law. If our demand is not met the officer corps reserves the right to act in the interests of the homeland.**

#### **Statistical Information on Deputies**

**934C04644 Moscow ROSSIYSKAYA GAZETA  
in Russian 3 Dec 92 p 1**

**[Article by unidentified correspondent: "Who, What, and How Much"]**

**[Text] Of the 1,068 people's deputies, 168 (15.7 percent) represent national-territorial districts, 900 (84.3 percent)—territorial districts. On 1 December, 27 deputy seats remained vacant.**

**The average age is 48.5 years. Nine hundred and seventy persons have a higher education, six—an uncompleted higher education, 30—a special secondary education, 28—a general secondary education, six—a technical secondary education, and one—an incomplete secondary education. Two hundred and twenty-two deputies have an academic degree of candidate or doctor of sciences. There are 423 engineers, 97 doctors, 81 agronomists, 50 lawyers, 50 journalists, and 47 economists.**

**Women constitute only 5.5 percent.**

**The deputy corps represents 46 nationalities and ethnic national groups. Of these, the number of Russian deputies is 828, Ukrainians—46, Tatars—28, Jews—16, Mordvins—11, Chuvash—nine, Chechen and Buryat—eight, Belarusians, Kabardins, and Bashkirs—seven, Tuvins and Yakuts—five, and Armenians—four. The Laks, Lezgins, Nogay, Altays, Khakass, Cherkess, Nentsy, Khanty, Chukchi, Yevenki, Vepsi, and Dolgans are represented by one deputy each. The regional parliamentary delegations with the highest numerical strength are: Moscow—64 persons, Moscow Oblast—47, Sverdlovsk—32, St. Petersburg—32,**

Bashkortostan—27, Nizhniy Novgorod Oblast—27, Tatarstan—24, Chelyabinsk Oblast—24.

Six hundred and twenty people's deputies have decorations.

The patriarchs of the deputy corps are Nikita Sergeyevich Tolstoy and Azret Girgokayevich Urusov, both born in 1917.

Six hundred and ninety-four persons constitute a congressional quorum. According to the status on 1 December, 984 people's deputies attended the congress. Before the congress began its work, 843 persons were registered.

Each roll call vote in the congress costs 700 rubles.

Prices at the Kremlin snack bar: julienne of chicken and meat—R89, sausage—R22, sandwich with doctor sausage—R21, boiled egg—R13. Glass of kefir—R10, cup of coffee—R14, cup of tea—R6.

Deputies can order tickets for the theater and have a picture taken. The price of one photo—13x18—R120, 24x30—R450.

#### **Abolishment of Congress Through Referendum Not Possible**

*934C0407A Moscow NEZAVISIMAYA GAZETA in Russian 21 Nov 92 p 2*

[Unattributed article: "Parliament Doesn't Fear Referendum"]

[Text] The parliament's legal department has explained to those who would like to disband the parliament that a referendum offers no grounds for this. The parliament is well protected by the Constitution, the law "On RSFSR Referendums," and the sixth congress's decree "On Protecting Constitutional Bodies of Government." Those who intend to "disband or replace government bodies in a manner not envisioned in the Russian Federation Constitution and legislation" will have to answer before the law.

#### **'Mafia' Said To Control Up to 40 Percent of GNP**

*934C0407B Moscow ROSSIYSKIYE VESTI in Russian 27 Nov 92 p 1*

[Article by Sergey Ovsyienko: "Mafia Power: Its Phantom Moves About the Country"]

[Text] Organized crime and corruption have penetrated virtually all spheres of society and the economy. The Ministry of Security and the Ministry of Internal Affairs predict that the mafia could extend its influence to 40 percent of the gross national product in the near future.

The scope of activities of the "fifth column" is indicated by the following fact: A single operation this year prevented the export of more than 1,000 tankcars of petroleum and petroleum products, nearly 10,000 tonnes of nonferrous and rare-earth metals, and 43,000 cubic meters of timber and lumber, with a total value of 7 billion rubles.

In the opinion of A. Aslakhanov, chairman of the Supreme Soviet legality, law and order, and crime-fighting committee, in order to achieve a fundamental breakthrough in

fighting crime, it is necessary to use the financial resources and valuables confiscated from criminal elements to create a state fund and to accede as quickly as possible to Council of Europe convention on combating organized crime. The committee has drafted a law on combating corruption that, after the Congress of People's Deputies, will be submitted to the parliament for consideration. The draft proposes that legal entities that try to use bribery to achieve their ends be fined an amount equal to 500 times the minimum wage, with confiscation of money paid or property transferred illegally.

#### **Working Group Chairman Seeks To Improve Supreme Soviet Efficiency**

*934C0407C Moscow ROSSIYSKAYA GAZETA in Russian 27 Nov 92 pp 1, 2*

[Russian Supreme Soviet Deputy Mikhail Mityukov interviewed by Yuriy Zvyagin: "Parliament's New, but the Decor—"]

[Text] On the eve of the Seventh Congress of People's Deputies, there has been a marked increase in criticism of the Russian Federation Supreme Soviet. Some of it is knowingly tendentious, but some of the criticism offers food for thought: What has to be done to enhance the effectiveness of the parliament's work?

Today we present a conversation with People's Deputy Mikhail Mityukov, chairman of the working group for drafting proposals for improving the Russian Supreme Soviet's operation.

[Zvyagin] Mikhail Alekseyevich, people are talking about the causes of insufficient effectiveness of the parliament's work. The first reason might be shortcomings in the organization of the Supreme Soviet and its structures. A second reason might lie in the way certain specific individuals are carrying out their highly important state duties. Or would it be better to keep silent about the second reason?

[Mityukov] In my opinion, any taboo on the discussion of one or another aspect of our work is simply inadmissible. And it is all the more important to discuss this on the eve of the Congress, at which the Supreme Soviet will be renewed. Some want to leave the halls of parliament and to step aside for others. Of course, this is painful. However, the interests of the cause require that we approach this renewal as a condition for improving the Supreme Soviet's effectiveness.

[Zvyagin] Who is going to evaluate the professional suitability of a given member of parliament?

[Mityukov] Everybody already knows who's who. A deputy's attitude toward his parliamentary work is apparent even from whether he attends parliamentary sessions. But some colleagues are so arrogant that they refuse even to doubt their own professionalism.

[Zvyagin] In order to improve the parliament's operation as a whole, the manner in which its work is organized is also of great importance. For example, can it possibly be right that the Council of the Republic and the Council of

Nationalities have a combined total of eight standing commissions, while the Supreme Soviet as a whole has 20?

[Mityukov] You put your finger on a contradictory aspect of the parliament's structure. But these are growth problems. The parliament's current structure still bears the imprint of the past, when the Russian state did not exist and the Supreme Soviet was a rubber-stamp body. Everyone knows that the most important, fundamental issues were decided in union, and above all party, agencies. For all practical purposes, we were the first to start working on a permanent basis, without experience or skills, groping our way along the path of true parliamentary government in our country.

Of course, the Supreme Soviet must be reorganized and reconstructed. And a good many concrete proposals have been drafted on this score.

[Zvyagin] It is continually stressed that the center of the Supreme Soviet's legislative and oversight activities is the committees and standing commissions. But in practice, it seems to me, nothing is more confused than the functioning of parliament's working bodies, even though there exists the law "On the Standing Commissions of the Chambers of the RSFSR Supreme Soviet and its Committees."

[Mityukov] I don't want to agree with you—I was directly involved in drafting the law—but I have to. Many committees and standing commissions, not to mention subcommittees and subcommissions, duplicate each other. For all practical purposes, the same sphere of attention is shared by the Council of the Republic's standing commission on social policy, the youth affairs committee, the committee on women's affairs and protecting families, mothers, and children, and other bodies. Very similar work is carried out by the legislative committee, the legality, law and order, and crime-fighting committee, the human rights committee, the commission on rehabilitating victims of political repression, and the commission on repressed and departed peoples.

One cause of this is that statutes on the various committees and standing commissions have yet to be drawn up. And I'll say more: Some of the parliament's working bodies are redundant. However, it is not an easy task to abolish them now: Behind them are specific individuals, and they aren't always guided by the interests of the state.

[Zvyagin] Actions on the eve of the congress show that our Russian parliament is fully determined to not only improve itself, but also to restore its constitutional role in determining political and socioeconomic life and in overseeing the activity of the government, as is done in all democratic states.

[Mityukov] The effectiveness of the Supreme Soviet's activity is directly dependent on the overall political and socioeconomic situation. It is impossible to have a situation in which the people are dissatisfied with their lives and experiencing enormous difficulties and the parliament considers its work satisfactory.

We need to counter the decline in production, the disorganization of the national economy, and the deterioration

of citizens' material situations. Attempts to shift the blame for this on real or imagined opponents of reform and talk of sabotage and a refusal at the local level to submit to the center's will are nothing more than a diversionary tactic. We must strengthen the legislative and executive branches and step up oversight of the government's activity—including personnel selection and appointments to top positions. You are correct in saying that this practice exists throughout the world. By contrast, here we have a desire for defiant independence and a disrespectful attitude toward the parliament, something that has been especially apparent in the days leading up to the congress. Needless to say, this attitude demoralizes and disorganizes not only central and local government, but also society as a whole.

[Zvyagin] In order to improve the parliament's effectiveness, I think it is essential to revise the standing orders governing the Supreme Soviet's work. They fail to meet modern requirements in many respects.

[Mityukov] The changes that have occurred in Russian political life are not yet adequately reflected in the standing orders of the Congress and the Supreme Soviet. For example, they do not spell out a procedure for dealing with draft laws submitted by the president and other institutions that have the right of legislative initiative, or with draft laws relating to problems that fall under the joint jurisdiction of the Russian Federation and its subjects. There is no procedure for reconsidering laws returned (unsigned) by the president. We must also provide detailed procedural regulations governing the competence of the Supreme Soviet Presidium, the Chairman of the Supreme Soviet, and his deputies. The responsibilities of the chamber chairmen and their deputies and of the members of the Supreme Soviet have eroded, especially with respect to their responsibility to perform their assigned duties. With the adoption of the Law on the Council of Ministers (government), the nature of the subsequent relationship between the president, the Supreme Soviet, and the government becomes even more important. We need to devise a procedure for holding joint and separate sessions of the two chambers and sessions of the Supreme Soviet Presidium and deputy factions. The current standing orders are flawed where factions and groups are concerned. For example, a faction has the right to register itself once a year, provided it has at least 50 members. After that everyone can leave it, but it legally continues to exist even if it has just one member.

A separate section should be devoted to deputies' rights, duties, and responsibilities for complying with both the standing orders and ethical standards. This section should also set forth the powers of an ethics commission. We don't have such a commission, even though congresses have already created it twice.

The reason? Deputies' attitude toward it. Some members of parliament don't want to have someone looking into their conduct. But the parliamentary rostrum is no place for insults and settling scores.

[Zvyagin] I don't think you will dispute the statement that carrying out parliament's oversight functions remains the weakest point.

[Mityukov] Preoccupied with lawmaking, we have forgotten to monitor the execution of laws already adopted. And would that this were the only problem! We have yet to adopt a decree requiring the Russian Federation Prosecutor General to deliver reports. We haven't reacted to presidential edicts that are at variance with the Constitution and legislation. I am referring to the edict "On Confirming the Statute on Russian Federation Presidential Representatives in Kraiys, Oblasts, Autonomous Oblasts, and the Cities of Moscow and St. Petersburg" of July 15 of this year, the edict "On Using Grain From the 1992 Harvest in the Russian Federation" of August 24, and others.

[Zvyagin] At the very outset, we touched on the question of the place in parliament of its members. Have proper conditions been established for their work?

[Mityukov] I think that our parliamentarians have a good many justified complaints. For example, members of the Supreme Soviet have no aides and do all the dirty work themselves. It is common knowledge that in other countries, it is unthinkable that a member of parliament can function without aides. In addition, our staff has too few legal and other specialists. This isn't right either. After all, the workload is considerable, and the work is hard and important.

#### Federal Migration Service Chief on 'Russian Exodus'

934C0408A Moscow MEGAPOLIS EXPRESS  
in Russian No 42, 21 Oct 92 p 9

[Interview with Russian Federal Migration Service chief, Tatyana Regent, by Aleksandr Protsenko: "From the Universal Declaration of Human Rights: Article 14. Every person has the right to seek asylum from persecution in other countries and to take advantage of that asylum. For Whom Is Russia Home: Russian Federation Migration Service Chief Tatyana Regent answers M-E observer's questions"]

[Text]

[Protsenko] Film director Andrey Nikishin has named his film about the problems faced by the Russian-speaking population in Latvia "A Russian Exodus." The same term is being used more and more frequently in conversations about the migrations taking place today on the territory of the former USSR. To what extent is this definition correct?

[Regent] It is a fashionable word... But it does not reflect reality. This is not an exodus. And it is not a "remigration"—people are also trying to introduce this term into colloquial speech. This is neither a return nor a "reverse wave." We will say that today people are leaving Tajikistan, people who were born there, who considered (or consider?) that to be their home.

And about the scale of the phenomenon. In Russia today there are approximately 400 thousand refugees. I am

speaking approximately, although Boris Nikolayevich Yeltsin has named a more exact figure—460 thousand refugees, 700 thousand forced migrants. But this figure changes constantly: up and down, up and down...

[Protsenko] Up—that I can understand: as they say, "the process has only begun." But where do you get "down?"

[Regent] People are returning to some of the republics. When the shooting quiets down, they are drawn back. Let's say that some of the people from the Dniester region have returned. Over a month of truce in South Ossetia, 22 thousand Ossetians returned there from North Ossetia. There is also a second way that the number of refugees decreases: if they settle in Russia, obtain visas, housing, work—that is, if they cease to be refugees. After all, this is not a permanent human state. I am talking about 400 thousand—this is since 1989, since the inter-ethnic clashes in Fergan, when it was necessary to do an emergency evacuation of Turkish-Meshetins. People also fled Sumgait and Baku... And this has passed. But some of the people have already settled permanently in Russia.

[Protsenko] Many of them?

[Regent] Very few, about ten percent.

[Protsenko] So only about forty thousand?

[Regent] It is very difficult to find housing, and the flow of people is growing. From Tajikistan, alone, we expect that there will be no fewer than 500 thousand refugees on Russian territory by the end of the year. Literally, refugees—these are considered to be people arriving from zones of military operations or, let's say, from areas where Russians have been declared hostages.

[Protsenko] Yes, in the last issue of ME [MEGAPOLIS EXPRESS], we have already published a xeroxed copy of the newspaper ADOLYAT, where the Russian population of Dushanbe has been declared hostage. But the outflow of the Russian-speaking population from Tajikistan has been large in the past, as well—this began long before the current military actions between clans.

[Regent] When there is shooting—everyone runs away, not just the Russians. Uzbeks, and even Tajiks, are also leaving Tajikistan now. While before, as a rule, Russians and Russian-speakers were the ones leaving; they were considered forced migrants. Today, they are coming from almost everywhere. For all kinds of reasons. They are coming from Moldova—fearing its annexation to Romania. They are leaving Uzbekistan—afraid that the same thing will happen there that happened in Tajikistan. Although Russia has concluded comprehensive friendship and cooperation treaties with many republics, and all kinds of human rights protection for the Russian population have been discussed. Such treaties have been concluded, in fact, with Uzbekistan, Kazakhstan, and one would think that there would not be migrants coming from there. But there are! Thousands are coming from Kazakhstan, where a third of the population is Russian. They are not just leaving South Kazakhstan; they are even coming from the North. Here we have a "voluntary migration." Well, people want to live in Russia! They never even thought

about which republic their homes are in, all of a sudden they were drawn to their own people...

[Protsenko] And the motherland doesn't know what to do with these newly-declared sons and daughters?

[Regent] Today, not everyone yet understands that this kind of migration is a blessing for Russia. These people represent special demographic potential. Wonderful labor resources, the likes of which are lacking in this country. But now, some places are attempting to blame the growing unemployment problem on the newcomers. As a rule, these people find work on their own, and then, in the structures of the new economy...

[Protsenko] One remembers how the Baku pogroms began, when a lot of refugees accumulated in Baku from Armenia. These were Azerbaijanis from the rural regions of Armenia, but they settled in Baku, where they ended up without housing, without work. It was exactly they who became the fundamental "explosive material," the vital force when the troubles began. Isn't Russia threatened by something like this? Her cities are overcrowded, people are needed mainly in the country, but the migrants from other republics are—as a rule, urban populations.

[Regent] It is mainly city-dwellers who are coming, that is true. People accustomed to intellectual labor, from the service sphere and highly-qualified industrial workers. But in Russia's cities the number of people is not "overwhelming." This seeming overcrowding is due to insufficient housing. Before, migrants added to the stress, but today the situation is different. These people understand that they can largely rely on themselves. Because they come in groups, sending the men—the "spies," ahead. The heads of families in the groups and collectives form construction companies, obtain credits from us, some minimal aid and begin building. It is only later that they sell their apartments in the republics and bring their families in. Today, groups of migrants are beginning to settle in Russia's small towns according to this plan. And where administration heads understand what sort of labor potential is arriving in the person of refugees, things go well.

[Protsenko] Where is this?

[Regent] Pskov, Kaluga, Belgord, Kursk oblasts receive them very well... But even with this, there are thousands of people demanding to be set up in Moscow. Or Saint Petersburg...

[Boxed item]

#### M-E DOSSIER

The basic principles of the "Migration" program, established by the government of the Russian Federation on May 18, 1992:

1. The principle that refugees and forced migrants are free to choose their place of residence and field of employment.

2. The principle that the exile or mandatory return of refugees and forced migrants to the countries from which they came is, with exceptions, forbidden by provisions of the law.
3. The principle that discrimination against refugees and forced migrants on the basis of race, religious belief, citizenship, membership in a certain social group or political convictions is impermissible.
4. The principle that refugees and forced migrants are guaranteed to be granted by the state the basic rights and freedoms ensuing from their status that actual citizens enjoy in compliance with the law, and the opportunity to receive legal protection.
5. The principle that refugees and forced migrants will comply unconditionally with the obligations arising from the requirements of Russian Federation law.
6. The principle that the creation of any kinds of privileges or preferences for refugees and forced migrants within the structure of government aid that might place them in a privileged position in comparison with the local population (with the exception of extraordinary situations connected with the massive influx of citizens onto Russian Federation territory) is impermissible.
7. The principle of direct personal participation by refugees and forced migrants in building at their new place of residence.

[end boxed item]

[Protsenko] I remember how a fairly large group of refugees that had been giving temporary housing in suburban Moscow boarding houses just wouldn't agree to leave the capitol...

[Regent] And they still haven't left! There are one and a half thousand of them. There are different reasons for it, some of them objective. In the past, the Union government, and then the Russian one, would allot monies for the construction of refugee housing to oblast budgets. And these funds were not utilized. Finally, this year we have begun to receive five, ten, fifteen apartments at a time—in Ulyanovsk, Samara, Nizhniy Novgorod. What do you think of those addresses?

[Protsenko] Those are great cities!

[Regent] I think so, too. But we have come up against a heart-rending problem: people do not want to leave here. And they aren't leaving! They want to stay in those boarding houses—conditions there are good, they are close to Moscow.

Right now: there is a family of three—a mother and two sons—living in one of the boarding houses. They are Russians. The father is still living in Baku, and is maintaining an apartment there. We are offering this family a two-room apartment in Ulyanovsk—and they aren't going there, they are demanding a three-room apartment. According to the law, I must offer this family two more alternatives, and then let the head of the boarding house and the bailiff evict them. Situations like this are everywhere! Because our consciousness is corrupt: we expect the state to give us everything!

[Protsenko] Do we lack the normative base?

[Regent] Very much so! But we'll figure out the normatives, because, no matter what pain, what suffering these people have experienced, they also need to know honor. Much depends on the fact that the Union has disintegrated. One thing is the measures that we can take having to do with the Somalis, they are living here in the Sheremetevsk transit zone. Or concerning the Afghanis, we are already choked with them, we don't know what to do with them. We also have refugees from Ethiopia and Cuba living here. Refugees from third countries don't want to stay in Russia. They understand that life here is very difficult, so they ask us to send them somewhere else. But where? Somewhere that won't accept them?

[Protsenko] Do we have a statute now on refugees?

[Regent] Since July 1 of this year, a temporary procedure for the registration of refugees and forced migrants on Russian territory has existed. According to this procedure, local employment service organs also accept refugees. They register all of them. If it is a socially unprotected family (with several children, consisting of disabled people or pensioners), then all of them receive a subsidy equal to the minimum wage. If these people go to live in a rural area, they are allotted double the minimum. Once.

Further. Until now, we have depended on hotels, boarding houses, dormitories. Whatever was at hand. Now, the wave is so large that we are forced to build receiving points, so people can come and receive not just a roof over their heads, but medical care, food, and so on, too. We are building receiving points now in six oblasts: Orenburg, Volgograd, Saratov, Tomsk, Kursk, and in Altay Kray. The labor unions are meeting us halfway, and have sold us boarding houses at the residual value...

We cover almost all the bills. For example, there was an evacuation from Abkhazia using commercial flights, and we paid for them... And even when people have, let's say, made it to Moscow, they need to be brought to their accommodations—and this is also an enormous amount of money in these times. We've been paying for all of that, too. Even the bus from Kiev Station to Kazan Station...

[Protsenko] Are there, let's say, tax breaks provided for by the government, parliament, or the president? Are there rules for the provision of land, or anything else?

[Regent] The question of tax breaks has not been resolved. During the summer, we sent the Supreme Soviet proposals for tax privileges for organizations made up of refugees and migrants. There is still no answer, although the deputies help as much as they can. So what have we accomplished? Now, we are offering loans from our funds. Credits today are from 80 percent yearly and higher, and we give them for free. First, it was 160 thousand, now it is 200, and next year—it will be 300 thousand per family. For 20 years.

Under the "Migration" program, we have already received three billion rubles. This money goes first of all to subsidies and transportation services, housing. We are doing our own building, or, to be exact, we buy unfinished buildings and fix them up. I don't know what the financial

results will be. I panic about this, since I have never distributed this much money before. But we have figured out a new financial mechanism: we send all our aid not to the oblast or the rayon, but to the newcomers' company, to a legal person. And it is good that neither the oblast plan nor the rayon plan (or whatever they're called now?) is in charge here; it is people who are capable themselves of dealing with the money and who are accountable to us.

[Protsenko] I would like to know what the term "undesirable migration" means?

[Regent] Right now, there are tens of thousands of people on Russian territory who, generally speaking, are not Russian citizens. They are doing their own thing. They are glad that there are no borders now, that there is no regulation of immigration, and that no residence permits are being issued. Because of this, they come here feeling entirely calm, and do whatever they want, right up to exporting Russia's property. We do not have the right to deport them, even if we catch them red-handed. This issue must be resolved as quickly as possible. Even Boris Nikolayevich Yeltsin has, in his numerous speeches, pointed out the fact that immigration regulation and quotas on entry into Russia from nearby foreign countries must be introduced, and that visa control must be maintained.

[Protsenko] And will we have continuous borders?

[Regent] Let's begin with visas. All countries have visitors' visas with time limits. Yeltsin is speaking for us here. What needs to be done? We must take measures. Introduce residence permits. Today, important services have already been transferred to us—the administration of visas and registrations, and all passport matters. Everywhere, things will be handled in different ways. The Baltic countries have introduced a visa procedure—we will also introduce one, if only because we can take money for visas that can be turned over to the state budget. That is the first thing. Secondly—maybe there will be permits (residence permits and otherwise) for citizens of Commonwealth of Independent States member countries. And thirdly—for countries that are not members of the Commonwealth.

[Protsenko] But won't it work out so that the gangs will get through, and the rank-and-file citizen won't?

[Regent] Of course, you can't catch all of them. America has also been unsuccessful in this: they have two million illegals there, even though their immigration regulation is very strict. But I believe that we will cut off a large portion of them. Inspections will help a lot. And deportation. If a person has no visa documentation, no residence permit, he can be deported on an entirely legal basis. If he has them but is living in violation of Russian law, or even more, if he is causing her harm, the question can be raised of depriving him of that residence permit...

[Protsenko] Tatyana Mikhaylovna, a few words about yourself.

[Regent] Until January of this year, I worked at the Academy of Sciences Institute of Employment Problems. I was the head of a laboratory. I am a geographer, and my specialty is population geography. What wind blew me into

the Federal Migration Service? The director of my institute was Alesandr Nikolayevich Shokhin... Now, I feel that I am where I belong.

[boxed item]

**M-E DOSSIER**

State—Former USSR Republic State	Number of Russians (thousands of people) and percent of total population*
Ukraine	11356/22
Belarus	1342/13.2
Uzbekistan	1653/8.3
Kazakhstan	6228/37.8
Georgia	341/6.3
Azerbaijan	392/5.5
Lithuania	344/9.3
Moldova	562/12.9
Latvia	906/33.9
Kyrgyzstan	917/21.5
Tajikistan	388/7.6
Armenia	51.6/1.5
Turkmenistan	334/9.4
Estonia	475/30.3

\*Figures from the 1989 All-Union Census

[end boxed item]

**TV, Radio Chief Poptsov on Company Policy**

*934C0421A Moscow NEZAVISIMAYA GAZETA  
in Russian 21 Nov 92 pp 1,5*

[Interview with Oleg Poptsov, chairman of the All-Russian Television and Radio Company, conducted by Irina Petrovskaya: "I Counted on the Government's Maturity"; date and place of interview not given]

[Text]

[Petrovskaya] Oleg Maksimovich, in preparing for my meeting with you, I read in one article: "Russian television was doomed to success from the outset." It seems to me that this paradoxical combination of words contains the explanation for Russian TV's subsequent creative failures. Being programmed for success, having the unique opportunity to create an absolutely new TV, and enjoying the maximum credit of public confidence—in my view, the combination of all those highly propitious factors was not recognized by you in time and not fully taken advantage of. Consequently, we have what we have.

[Poptsov] But all the same, we have it, and that fact is indisputable: we have created Russian TV. It exists.

[Petrovskaya] I am talking about something else, about the fact that no fundamentally new TV emerged. Most of RTV's programs have been made after a single archaic, provincial stereotype: live broadcasts, "talking heads," endless recitative.

[Poptsov] And why "talking heads" and live broadcasts? Out of poverty! We have a terrible shortage of editing systems, and live broadcasts do not require editing. So this endless recitative is the result of the poverty that we have experienced and continue to experience to this day. After all, we started everything from scratch. There was not a chair, a nail or a wheel. And that was also our principle: not to share and not to seize, but to create an additional broadcast operation anew.

[Petrovskaya] All the same, you had to share. After all, didn't Ostankino give you some of your equipment and facilities?

[Poptsov] No! Nothing! If you do not count the television center at Shabolovka, which is called the television museum. When Japanese industrialists visited Shabolovka they were in shock and offered to buy some of our equipment for the Sony museum. Yet we are still working on these "exhibits."

I am struck at how delightfully the government has managed not to tackle the problems of technically outfitting RTV. I keep thinking: when will fatigue strike our journalists? There is a terrible unfairness in this: television, understanding the government's difficulties, supports it without seeing any sort of reciprocal interest in helping television. Every time we have to try to prove and beg. The failure of government institutions to understand that without a normally functioning information system there can be no reforms is astonishing. I counted on greater maturity on the government's part.

[Petrovskaya] Let's say that everything were worked out with the equipment. Do you believe that that is RTV's only problem?

[Poptsov] We have created a different television. We put our stakes on young people: on their mobility, daring and bravery. But in the process we also got superficiality (young people cannot fail to have it) and bravery that stems from ignorance. A huge problem for Russian TV is the lack of professionalism. The problem of many journalists, especially on the news programs, is a tendency to judge the whole on the basis of a micro part with which they are familiar, and a daring that is born of unprofessionalism. A person is not held back by lack of knowledge. A person may put his candidly weak program on the air and then be surprised: "Is it really any worse than so-and-so's?" I always say: "is it really any worse" cannot be a criterion for comparison. When I am asked whether I distinguish my channel's programs from others, I reply: yes, it is the sloppiest channel; on it, the lack of direction is tragic. There is no direction as such. The director's entire concern, by and large, comes down to how to set up the lighting. Although even the lighting is poorly done.

We endeavored to create a minimal managerial apparatus. It is simply incomparable with Ostankino, just as the companies' staffs are incomparable: 3,400 employees for

us and 26,000 at Ostankino. We have no obstacles limiting creativity except the lack of equipment and money. But freedom continually crosses its limit, and there is not even professional self-control. One cannot issue an order: "I forbid hack work." The rejection of hack work should be inside you yourself.

At first we established the channel and, like a train, loaded it with all sorts of stuff. Now this train has started moving, and we are tidying it up and cleaning out the empty cars. We have an artistic council that has started to function and will analyze programs, determine their rating, and submit its opinions on the need to take any given program off the air. The broadcast schedule will become more rigid, and programs will have the strictest time on the air. Normal conservatism is what keeps society afloat. A person should be certain: I will turn on the television and see that.

[Petrovskaya] And the Supreme Soviet is going to vote for providing full coverage of its regular meeting on the air, and all of your plans will go to the devil.

[Poptsov] There are things that we can not yet influence. The deputies should acquire the understanding that there is no monopolistic right to speak on behalf of the people. When the deputies demand full coverage of their session, they should realize that they are forbidding the people themselves to see what they expect and what accords with their interests. I am not even speaking of the expenses that we incur. I am trying to convince the parliament of this, but as a deputy I must be a law-abiding person and am obliged to carry out the decision of the majority.

The government is finding it very difficult to get used to the role of viewer and listener. It still believes that it is above the viewer and listener and exists in order to explain what must be seen and heard and how. If you consider that TV is theater, then every person who comes before the lens is only half simply a person and 50 percent an actor. Television bears part of the blame for what is happening with the parliament today. Parliament lives not according to the norms of parliament but according to the norms of theater. One deputy said to me: "Why do you give your report on the session so late? I waited to see myself and went to bed." And what the viewer expects from the parliament is not laws but a spectacle: will they suddenly go at it again?

[Petrovskaya] I am afraid that the viewer no longer expects either laws or spectacles.

[Poptsov] I am talking about a substitution of functions, and that is a very dangerous phenomenon. In this situation it is hard for RTV to be itself and find its identity, its look. We are doomed. State TV cannot fail to concern itself with state politics.

[Petrovskaya] But state and court are not one and the same thing.

[Poptsov] When I am criticized for the fact that we support certain government programs and our TV is called pro-government, I find it funny: can you imagine a television that is constitutionally required to support the state's policies fighting the president, government or parliament?

That is nonsense, insanity! State TV cannot help being dependent on the state's policies, but it can be independent in its opinions about the state's policies. Governmental structures should hear opinion about themselves from the TV screen. And that should not make them mad.

[Petrovskaya] Excuse me, Oleg Maksimovich, but Russian TV is increasingly often called not pro-government but pro-parliament. Maybe I am mistaken, but I have not heard on RTV's programs any clear criticism whatsoever of Khasbulatov, say, or of his position in the conflict with IZVESTIYA. Moreover, in broadcasting a report on the Supreme Soviet session at which the question of the mass media was discussed this summer, RTV totally omitted the part where the fate of IZVESTIYA was decided.

[Poptsov] You are mistaken. You are very mistaken. Why, then, do the parliament and Khasbulatov, who, you say, is not criticized by RTV, demand every week that I be called to account?

And you are wrong about IZVESTIYA, too. When the question of IZVESTIYA was discussed we were focused on preparing for the hearing on the mass media, especially on television. If you are speaking about Oleg Maksimovich Poptsov, he was preparing for this part. Yegor Yakovlev permitted himself to leave for Greece on the eve of the hearings, and Ostankino's general director I. Malashenko contemplated the polemics in silence. We took the whole blow on ourselves. On that day the session was ending, and I, at Khasbulatov's request, was supposed to tape an interview with him. I left the hall to find out whether the camera crew had left—that was later interpreted as though I had walked out on the discussion of the question of IZVESTIYA. And what happened after that was absolutely incredible. Late that evening at home I was watching television and could understand nothing. The discussion of the question of the mass media ended, and there was nothing about IZVESTIYA. My hair was literally standing on end. It turned out that during the editing the equipment had broken down, and it was down for another four days. That is how the legends got started. Naturally, we later provided information about what was going on with IZVESTIYA—not so thoroughly as the first channel, because we do not have such close ties as Yakovlev with the newspaper. But we actively defended television. At all three hearings I answered for both Ostankino and myself.

[Petrovskaya] Okay, the situation involving IZVESTIYA is understandable. But Yeltsin's decision to establish a federal television and radio broadcasting service headed by Bella Kurkova, people are saying, is connected with the Russian administration's dissatisfaction with your company's politics.

[Poptsov] I think that we have an organized system for the appearance of the president, the government and the parliament on television. We always give the representatives of all three governmental institutions the opportunity to speak on the air at the first request. But each branch of government thinks that the mass media are underestimating it, that it is doing everything correctly but the journalists are distorting its "radiant image." People are so

constituted that when the results of their activity are not evident they start seeking the reasons for their own failures outside of themselves: "The press is to blame for everything." That is natural and understandable.

As for the practice of preparing such documents as the edict on the establishment of the Federal Television and Radio Broadcasting Service, I personally knew nothing; no one consulted me, and the president himself was extremely surprised that I had seen the edict for the first time when it came out in the press. I know that when it was brought for him to sign, Boris Nikolayevich asked three times: "Are there no problems with Poptsov? Was this cleared with him?" And three times he was answered: "There are no problems with Poptsov. Everything has been cleared with him." This was a similar surprise for Ruslan Imranovich Khasbulatov. Is the president's edict justified or not? Yes, it is justified. I just returned from Petersburg, and what happened with the fifth channel perplexed me greatly: for all practical purposes, Petersburg TV has only four hours of air time; all the rest of the air time has been sold. I think that this is what prompted the president to take that decision.

[Petrovskaya] RTV arose as an alternative to Central TV, which was then a mendacious official outlet. At that time the mutual enmity between the two companies was both understandable and explicable. Is what exists today not competition but confrontation between Ostankino and RTV?

[Poptsov] That does exist. It stems from the history of development. Ostankino simply cannot overcome its own "great-power chauvinism"; it simply cannot reconcile itself to the fact that we have emerged, are developing, and are already capable of giving it serious competition. We take that fairly calmly. Of course, we acted too magnanimously in not taking anything from them. Now I regret that. They have already grown so insolent that they do not even want to share a motor depot: we have nowhere to keep our vehicles. Dependence on Ostankino's technical services is absolutely intolerable. We pay them nearly 700 million rubles a year for leasing alone!

As for creativity, previously the Ostankino team had the indisputable advantage. Now we quite often are right at their heels and breathing down their necks. That is good. Just as it is good and important that the first channel carries serious programs that arouse in us a feeling of jealousy and desire to do better. In general, I regard the problems of our colleagues from Ostankino with immense attention; their problems are no less than ours. We simply have different objectives: their objective is to be preserved, and our objective is to be created.

[Petrovskaya] Periodically a rumor arises that Ostankino and RTV are about to merge, since the existence of two companies that differ very little from one another is economically disadvantageous and creatively unjustified.

[Poptsov] We are different. We are absolutely different! Analysis shows that the information saturation of RTV is higher than for Ostankino. We have different concepts of broadcasting. Ostankino has set a course of entertaining

the viewer and diverting him from politics. For us, on the contrary, the political program is one of our defining lines. Consequently, our goal is to make politics on the screen interesting, viewable and impressive, to make it arouse emotion and force people to think.

#### Juries To Be Used in Court 'Experiment'

934C04094 Moscow ROSSIYSKIYE VESTI in Russian  
23 Nov 92 p 5

[Article by Sergey Pashin and Sergey Tropin: "Experiment: We're Getting Juries"]

[Text] Has the judicial branch in Russia become an autonomous influential force whose activities are independent of the legislative and executive branches? After all, just a year ago the institution of juries was enshrined in the Constitution, and judges began to form professional associations and influence state decisions. Initial steps toward the implementation of judicial reform have been taken. But democratic standards of judicial procedure can already be introduced in stages in regions that are most prepared for this. The State Legal Administration and the Ministry of Justice, in conjunction with the Supreme Court, the Procurator General, and the legislative and human rights committees, are working to draft normative documents and to draw up detailed economic feasibility studies for the upcoming experiment.

The experiment will be conducted in Ivanovo, Ryazan, Moscow, and Saratov oblasts and in Stavropol Kray. Some 15.4 million people (10.1 percent of Russia's entire population) live in these areas; 1,016 judges (8.2 percent of all Russian judges) work in these areas, and nearly 46,000 criminal cases (9.8 percent) are tried. The problems of administering justice in these areas are typical of Russia as a whole, and indices for the quality of the courts' work are close to the average. The possibility of adding Ulyanovsk Oblast to the experiment, as well as several courts martial, is being discussed.

Plans call for establishing in these oblasts and krays, alongside existing legal procedure, a new procedure that is close to that instituted by the 1864 Judicial Regulations. The nucleus of the nascent Russian justice system will be juries, in which nine to 12 representatives of the public will decide whether a defendant is guilty or whether he merits leniency independently of the judge (and in oblast courts, independently of the collegiums of three professional jurists). Judges, on the other hand, will be charged with rendering decisions solely on legal matters, such as on the admissibility of evidence, on whether an action falls under a given article of the Criminal Code, and on the legally prescribed punishment. Decisions made by jury can be challenged only on appeal, on formal grounds. For example, if a superior court does not agree with a defendant's acquittal, it still doesn't have the power to change the jurors' verdict, provided that verdict was reached in a manner complying with all existing legal regulations.

In the first stage, juries will not be used in all criminal cases, but only in those that involve the potential use of deprivation of freedom for lengthy periods or the death

penalty and that don't usually require months of proceedings. For example, juries will be used in cases involving crimes committed for personal gain, crimes of violence, and certain crimes involving abuse of position (theft, robbery, infliction of grave bodily injury, rape, murder, bribe-taking and bribe-giving).

It is exceptionally important to maintain the inviolability of constitutional principles of legal procedure and to prevent any lowering of the level of existing legal guarantees of personal rights. Consequently, there are no plans to create any new judicial institutions (such as village or inter-rayon judges). Legally elected people's, oblast, and kray judges will continue to preside over legal proceedings. A citizen being prosecuted will have the right to chose the form of legal procedure: At his desire, he can appear before a court of sheffens [sheffeny] (a judge and two people's assessors), which was traditional of Soviet justice. If, however, he prefers a jury or, having pled guilty to a serious crime, he agrees to have his case heard by a single judge, the state ensures the participation of a defense lawyer in the case. Professional judges will be overseen by an appeals chamber to be made up of the best-trained judges of the kray (oblast) court. Oversight by the Russian Federation Supreme Court of judicial acts adopted in these regions under both the traditional and proposed procedure will also be maintained.

Throughout the experiment, the Russian Federation Ministry of Justice and the Supreme Court will monitor it, generalize the judicial practice, and deal with any difficulties that might arise.

It is extremely important that both Russian citizens and judicial officials acquire practical skills relating to contested proceedings, in which the voice of popular conscience will be heard loud and clear and the prosecution, no longer confining itself to the vapid speeches that are continually heard in today's courts, will be forced to employ all its resourcefulness and do everything in its power to persuade the jury that its position is correct. The personnel who receive this judicial training will then be able to share their experience with judges, prosecutors, and lawyers in other regions. Sooner or later juries will be introduced there as well.

### Once Secret Documents on Katyn Massacre Reviewed

934C0409B Moscow *IZVESTIYA* in Russian 20 Nov 92  
Morning Edition p 3

[Article by Nikolay Yermolovich: "Special File" Reveals Politburo's Secrets—New Documents on Katyn Tragedy"; Designations "Secret" and "Top Secret" are as published in original Russian source]

[Text] The Poles had long known about almost everything. We, especially in recent times, had guessed about many things. And now the book seems to have been closed on the Katyn tragedy. But that "seems" is unsettling and forces one to turn once more to the documents I was shown at the Modern Documentation Storage Center.

### 'Sworn Enemies of Soviet Rule.'

Needless to say, the documents still have to be studied by researchers, so I am only going to offer a few ideas that arose on reading them. All publications are saying that the main document in the "special file" is an excerpt from the minutes of a Politburo session on March 5, 1940. Technically speaking, that may be true. But for all practical purposes, the most telling document is a letter from Beriya to Stalin.

In it, the "country's chief Chekist" not only meticulously describes the "contingent of prisoners." The diabolical aim is to prove that they (and we are talking about the flower of the Polish intelligentsia—reserve officers) were all "socially alien elements," and hence by their very nature "sworn enemies of Soviet rule, consumed with hatred for the Soviet system."

The categories into which Beriya divides the prisoners is noteworthy: "former officers," "former landowners, factory owners, and officials," and "renegades." Incidentally, the latter category includes no fewer than 6,127 people. In the Chekists' logic, if a person crossed the border, he was a spy or, worse yet, a saboteur. I would only remind readers that the renegades were arrested in 1939, when the unified Polish state was cut by a demarcation line that became the state border between Germany and the Soviet Union. So they were "deserting" in their own country and probably, in most cases, on family or business matters from one part of the country to another. But even that was enough to classify them as "CRs" (that is how the letter refers to counterrevolutionaries).

"In the camps, officers being held as prisoners of war and policemen are trying to continue counterrevolutionary work and engaging in anti-Soviet agitation. Every one of them is just waiting to be released in order to be able to actively join the struggle against Soviet rule." And so "proceeding from the fact that they are all inveterate and incorrigible enemies of the Soviet rule," the USSR People's Commissariat of Internal Affairs [NKVD] considers it essential that the cases of all Polish prisoners be heard according to special procedure (without summons of the arrested and without presentation of charges, notice of concluded investigations, and findings of guilt), and that they be sentenced to the supreme penalty—execution by firing squad. It is proposed that hearing the cases and passing sentence be entrusted to a three-man panel consisting of Comrades Merkulov, Kobulov, and Bashtakov (director of the USSR NKVD First Special Department)."

At first the three-man panel was headed by Beriya himself. Then someone crossed out his name and wrote in Bashtakov. On the margin alongside the aforementioned "proposal," the words "Question of the USSR NKVD" were written in by hand. And in this form, the "question," with virtually no changes (with the exception of the substitution of Bashtakov for Beriya) was transferred from the letter to the minutes of a Politburo session, under item No. 144. And in this utterly offhand manner, toward the end of the session (Question No. 144), the Poles' fate was decided.

There is one other, more significant, difference between the letter and the minutes. Under the excerpt from the Politburo session minutes is the notation "Central Committee Secretary I. Stalin." But on the letter, in addition to the signature of Stalin himself, are also the signatures of his associates—Voroshilov, Molotov, and Mikoyan. In the margin is the addition: "Comrade Kalinin is in favor, Comrade Kaganovich is in favor." As we see, there were no abstentions.

#### Shelepin Advises Khrushchev To Cover the Tracks.

I would say that the second most telling document is a handwritten letter from Shelepin to Khrushchev. There is a surprising coincidence here. In the first instance, the "country's chief Chekist" is writing to the party leader. And in the second instance we see the very same thing. Only the first letter is typewritten, and the second handwritten. One gets the impression that Beriya had nothing to fear. If we had already killed so many of his own, what reason did he have to stand on ceremony with the Poles? Shelepin had a different purpose: to conceal the black deeds of his predecessors from the world, to cover their tracks. And such a thing could not be entrusted even to a typewriter. The following are excerpts from that letter, with its original spelling and punctuation.

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"Top Secret. [as published]

"To Comrade N.S. Khrushchev:

"Since 1940, the USSR Council of Ministers' State Security Committee has been storing reports and other materials relating to the execution by firing squad in that same year of captive and interned officers, gendarmes, policemen, [osadniki], landowners, etc., from former bourgeois Poland. In all, by decision of a USSR NKVD special three-man panel, 21,857 persons were executed by firing squad.

"All operations relating to the liquidation of the aforementioned persons were carried out on the basis of a CPSU Central Committee decree of March 5, 1940.

"Since the operation was carried out, that is, since 1940, no information on these cases has been released to anyone and all the cases, numbering 21,857, have been kept in a sealed facility.

"None of these cases are of either current interest or historical value for Soviet agencies. It is unlikely that they can be of real interest to our Polish friends. On the contrary, some unforeseen accident could lead to the disclosure of the operation, with all the ensuing undesirable consequences for our state. Especially in view of the fact that there is the official version relating to those executed by firing squad in Katyn Forest, a version confirmed by an investigation conducted in 1994, at the initiative of Soviet government bodies, by a commission known as the 'Special Commission for Establishing and Investigating the Shooting of Polish Officers Held as Prisoners of War by German Fascist Occupation Forces in Katyn Forest.'

"The commission's findings have become firmly established in international public opinion.

"Based on the aforesaid, it appears expedient to destroy all records on the persons who were shot in 1940 under the aforementioned operation.

"In order to process possible inquiries through CPSU Central Committee or Soviet government channels, the records of the sessions of the USSR NKVD three-man panel that sentenced the aforementioned persons to execution by firing squad could be retained, along with reports on implementation of the panel's decisions. These documents are of negligible volume and could be kept in a special file."

[Signed] A. Shelepin, chairman of the USSR Council of Ministers' State Security Committee.

March 3, 1959.

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This letter says a lot. Not even the progressive Khrushchev, who had attacked the Stalin cult, dared disclose yet another "dark Kremlin secret"—the politically motivated mass killing of Polish citizens, most of whom were totally innocent. In doing so he brought on himself the heavy burden of responsibility for Stalin and Beriya's misdeeds. Incidentally, such duplicity was characteristic of Khrushchev in many other actions as well.

As for the letter's author, he seemed to have peered into the future. Disclosure of the operation conducted by the All-Union Communist Party (Bolsheviks) Central Committee and the USSR NKVD was delayed for almost thirty years. And mostly on account of obstacles created by officials of those two organizations, which soon changed their names. They were later joined by the USSR Ministry of Foreign Affairs.

#### The Politburo Works Out a Line.

Gromyko and his deputy, Kuznetsov, wrote memo after memo to the CPSU Central Committee. In Britain, attempts were under way to launch an anti-Soviet propaganda campaign surrounding the so-called "Katyn Affair." The Politburo met on April 15, 1971, September 8, 1972, and March 2, 1973. Each time it instructed the Foreign Ministry to make representations—to the British Foreign Ministry, to the British Embassy in Moscow, even to the British government. And every time the Soviet ambassador received instructions to that effect.

And Britain wasn't the half of it! On April 5, 1976, the Politburo discussed the question "On Measures to Counter Western Propaganda on the So-Called 'Katyn Affair.'" This too was preceded by a memo, this one written by Yu. Andropov (the State Security Committee [KGB]), V. Kuznetsov (the Foreign Ministry), and K. Katushev (the CPSU Central Committee). An excerpt from it follows.

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"Recently imperialist centers for ideological sabotage, especially major Western radio stations, have begun

returning quite often to the so-called 'Katyn affair' in its notorious Goebbels interpretation."

**What can you say? It was they—our former officials (and by no means low-ranking ones), who had known everything for a long time—who were lying the Goebbels way ("the more monstrous the lie, the easier people will believe it"). They did this instead of coming clean.**

The thought of coming clear—to be more exact, of taking a more humane and sympathetic attitude toward our neighbor's tragedy—did not occur to the top party leadership until 1988. On May 5 of that year, the Politburo (finally!) adopted a decision entitled "On Measures to Develop Facilities at the Burial Site of Polish Officers at Katyn (Smolensk Oblst) and to Expand Access for Citizens of the Polish People's Republic and Other Countries." And after M.S. Gorbachev's visit to Poland, further action was taken: "In conjunction with the Polish side, to announce a contest for the best design of a monument to the Polish officers who died at Katyn."

Monuments and access are one thing. But there was still no answer to the main question surrounding the Katyn tragedy: Who was to blame for the Poles' deaths? That answer was carefully and tenaciously concealed from the world community. And this alarmed part of the party leadership. On March 31, 1989, the Politburo again examined the question of Katyn. The decision stated: "To direct the USSR Procuracy, the USSR State Security Committee, the USSR Ministry of Foreign Affairs, and the CPSU Central Committee's State and Law, International, and Ideological Departments to submit to the CPSU Central Committee for consideration, within 30 days, proposals for the future Soviet line on the Katyn matter."

**Apparatus games.** There is no other word for it. All that was required was to tell the truth. But that proved to be the most difficult step. For example, here is what V.M. Falin, not the worst apparatchik, wrote to Gorbachev:

"Our argument, that no materials shedding light on the true circumstances of the Katyn tragedy have been found in USSR archives, would lose credibility. Materials uncovered by our researchers, and without a doubt, they have found only some of the secret storage sites, combined with the data on which the Polish side is basing its assessments, will hardly allow us to continue to adhere to the previous versions and to avoid a final resolution."

"The following option would seem to entail the least cost: Inform V. Jaruzelski that after careful investigation of the relevant archives, we found no direct evidence (orders, directives, etc.) allowing us to ascertain the exact time and concrete persons responsible for the Katyn tragedy. At the same time, in the archives of the NKVD Main Administration for Prisoner of War and Internee Affairs and the archives of the NKVD Main Convoy Troops Administration for 1940, indications were found that cast doubt on the authenticity of the 'N. Burdenko report.' Based on these indications, it can be concluded that the killing of the Polish officers in the Katyn area was the handiwork of the NKVD and of Beriya and Merkulov personally."

"The question arises as to when to inform the Polish and Soviet publics of this conclusion and in what form..."

The memo is dated February 2, 1990. And in April Gorbachev handed Jaruzelski copies of materials relating to the Katyn tragedy—materials that, it was especially emphasized, had been found only very recently by Soviet archive officials and historians. And in his speech at a Kremlin reception for the Polish President, Gorbachev stuck to this line, declaring that the Poles had been the "victims of Beriya and his henchmen," and that "the Polish officers' graves are alongside the graves of Soviet people killed by the same evil hand."

Mikhail Sergeyevich was being cunning. Beriya and his henchmen weren't the only ones with an "evil hand." That hand belonged first and foremost to Stalin, Voroshilov, Molotov, Mikoyan, Kalinin, and Kaganovich. They took the political decision to execute the Poles.

#### Poland Seethes Like a Stirred Beehive.

Katyn is again on Poles' lips. "After half a century of communist lies and conspiracies of silence, Russian authorities have disclosed the most important documents relating to the Katyn killings and those responsible," says a statement adopted by the Polish parliament. "The Polish Republic Sejm," the document stresses, "expresses its conviction that the two states, in building a new future, will cope with the burden of the past, on the basis of law and truth." The deputies greeted the statement's adoption with a standing ovation.

"I could not have known and did not know the contents of the secret file that contained the decisions of Stalin and his associates on the killing of the Polish officers," declared W. Jaruzelski in a televised speech. "It simply defies logic that I could have had access to such secret documents."

Katyn is the leading story in the Polish mass media. The newspapers are carrying special series of articles, such as the biographies of the murdered Polish servicemen, which the army newspaper POLSKA ZBROJNA is carrying in issue after issue.

In the press, however, the range of opinion is greater than in statements by officials and prominent Poles. "In the shameless struggle for power and the future of Russia," writes the weekly WPROST, "Poland, unfortunately, is again being used as a card... Only extreme naivete allows one to believe that Politburo members didn't know the truth earlier."

While the journalists excel in writing commentaries, archivists are readying a "gift in return" for their Russian colleagues. According to Colonel Andrzej Bartnik, director of the Central Military Archive in Warsaw, his center contains documents of interest to the Russian side. They are in the section for the "Polish-Russian War of 1919-1920" and until now had been hidden "more deeply than others." This was done in order not to remind Soviet friends of their aggression against Poland and ensuing defeat. The documents have now been retrieved from the storerooms and are being studied by researchers. They

include lists of prisoners of war. However, Bartnik says, they are not as extensive as the Russians think.

To all appearances, the echo of Katyn is not going to fade quickly.

## ECONOMIC AND SOCIAL AFFAIRS

### Poll Shows Majority Back Gaydar's Reforms

934A0385A Moscow *EKONOMIKA I ZHIZN*  
in Russian No 44, Nov 92 pp 14-15

[Sociological poll: "Privatization and Public Opinion"]

[Text]

1. Do you think the policy of market reforms being conducted by the government will lead Russia out of the economic crisis? 1. Yes—54 percent; 2. No—15 percent; 3. I doubt it—27 percent; 9. Undecided—4 percent.
2. What kind of rating would you give to Gaydar's economic reforms as a whole? 1. Positive—16 percent; 2. Relatively positive—45 percent; 3. Negative—16 percent; 4. Relatively negative—18 percent; 9. Undecided—five percent.
3. Which of the paths of our country's development seems the most correct to you? 1. The path of development of the state as it was for 70 years—seven percent; 2. Construction of the society according to the model of developed countries of the West—45 percent; 3. Unification in our society of the best features of socialism and capitalism—39 percent; 4. Restoration of the monarchy—one percent; 9. Undecided—eight percent.
4. If you were to estimate the development of the economy with the observance of the government's current course, how, in your opinion, will the position of the economy change in three years? 1. Improve considerably—15 percent; 2. Improve somewhat—44 percent; 3. Will not change—20 percent; 4. Will worsen somewhat—five percent; 5. Will worsen considerably—nine percent; 9. Undecided—seven percent.
5. In your opinion, will help from the great powers of the world bring Russia out of its economic impasse? 1. Yes—10 percent; 2. No—57 percent; 3. Such a version is possible—25 percent; 9. Undecided—eight percent.
6. Do you think that aid from the IMF in the amount of \$24 billion could bring Russia and the other CIS countries out of the crisis? 1. Yes—12 percent; 2. Rather yes than no—25 percent; 3. No—42 percent; 4. Rather no than yes—16 percent; 9. Undecided—five percent.
7. Do you think the great powers of the world sincerely want to help us or is their goal to weaken Russia and bring it down from the position of a great power? 1.

Yes, their help is sincere—63 percent; 2. No, they want to weaken Russia—20 percent; 9. Undecided—17 percent.

8. Thinking about the parliament and the economic reforms, do you think the Russian parliament: 1. Is contributing to the advancement of the economic reforms—22 percent; 2. Is retarding the advancement of the economic reforms—53 percent; 9. Undecided—25 percent.
9. More than a year has passed since Yeltsin was elected president of Russia. Do you think he has justified the confidence of his constituents? 1. Yes—31 percent; 2. No—25 percent; 3. Not fully—42 percent; 9. Undecided—two percent.
10. Do you believe the CIS will be long-lasting and stable? 1. I do—25 percent; 2. I doubt it—38 percent; 3. I do not—31 percent; 9. Undecided—six percent.
11. Would you like to live as you did before in a unified state such as the USSR was? 1. Yes—49 percent; 2. No—39 percent; 9. Undecided—12 percent.
12. Do you think the collapse of the USSR and the formation of independent republics was: 1. An uncorrectable political error—21 percent; 2. A reality which could not be avoided—52 percent; 3. A positive factor for the independent development of all republics—22 percent; 9. Undecided—five percent.

### Kursk Public Polled on Congress, Yeltsin

934C0462A Moscow *IZVESTIYA* in Russian  
26 Nov 92 Morning Edition p 2

[Article by Vladimir Kulagin: "They Believe the President in Remote Areas"]

[Text] A sociological survey of the inhabitants of Kursk and the oblast that was carried out on the eve of the Seventh Congress of People's Deputies refuted the assertion by a number of leaders of city and rayon soviets of the oblast that the people favor the resignation of the president and government and the holding of the congress.

The sociologists presented four questions to the citizens of Kursk. Only 32 percent of those polled think that it is advisable to hold the congress in December, whereas 58 percent are against it.

Most of the people in Kursk (68 percent) do not expect that the congress will make decisions capable of substantially improving the social and economic situation in the oblast.

Only 34 percent of those responding favor the resignation of the president, whereas 48 percent are against this. And 56 percent of the citizens of Kursk think that the president must retain all of his supplementary powers for the entire period determined by the Sixth Congress of People's Deputies, whereas just 30 percent want to deprive him of these powers.

In their responses, the people of Kursk unequivocally think that the congress of people's elected representatives is "marking time," "empty talk," and a "waste of the people's money." But the citizens of Kursk link the president with hopes for the successful accomplishment of reforms, believing that there must be strong presidential authority in Russia.

**DELOVOY MIR Economic Statistics, 31 October**

934A0300A Moscow DELOVOY MIR in Russian 31 Oct 92 pp 2-3

[Report on the economic statistics of the Russian Federation by Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel: "The Decline Has Slowed Down Somewhat"]

[Text] The socioeconomic situation of the Russian Federation is characterized by the following data (in current prices, billion rubles):

	January-September 1992	1992 as a Percentage of 1991 (in Comparable Prices)	
		January-September	September
Gross Domestic Product—trillion rubles	8.1-8.4		
Industrial output (manufacturing and services)	8,802	82.4	75.2
Consumer good output	2,575	82	78
including:			
food products	1,049	78	79
alcoholic beverages	194	91	93
nonfood products	1,332	84	75
Capital investment from all sources of financing	1,159.7	52	
of them, state capital investment	1,004.3	87	
Commissioning of residential housing financed by state capital investment—million square meters of total area	18.6	69	
preschool facilities—thousand accommodations	51.9	73	
general education school—thousand pupil accommodations	160.4	63	
Procurement of agricultural products for state stocks—million tonnes			
grain (as of 10/12/92)	21.5	104	
potatoes (as of 10/12/92)	1.9	50	
vegetables (as of 10/12/92)	1.7	58	
cattle and poultry	4.9	71	74
milk	22.0	76	78
eggs—billions	17.5	76	85
wool—thousand tonnes	38.2	47	70
Freight (shipping) of cargo by general use transport—billion tonnes	3.8	80	71
Retail turnover—trillion rubles	1.8	61	74
Paid services	180	60	62
Monetary income of population	3,101.2	5.7-fold <sup>**</sup>	9.2-fold <sup>**</sup>
Notes. * without taking into account sales by individuals in free trade ** in current prices			

The national income produced on the territory of the Russian Federation in January-September of this year amounted by preliminary estimates to 6.9 trillion rubles [R] and fell by 20 percent as compared with the corresponding period of last year.

#### Privatization and Development of Entrepreneurship

Over eight months of this year, more than 20,000 enterprises in various sectors have been privatized; of them, 82 percent had been municipal property; 13 percent—state property of the Russian Federation constituent republics, krays, and oblasts, and of the cities of Moscow and St. Petersburg; and five percent—federal property. The

number of privatized enterprises and the amount of money earned from privatization is several times less than envisaged by the State Privatization Program.

The distribution of privatization vouchers among the population has begun. The total face value of the vouchers issued will be R1.5 trillion. By 10 October 3.5 million of vouchers worth R35 billion have been distributed.

As a result of the privatization of state property, the number of workers in the state sector has declined in January-September by 4 million people. Their share in the total employed population has declined to 68 percent.

The creation of economic conditions for the development of entrepreneurship is producing an increase in employment in the sphere of private and individual labor. As compared with the same period of last year, the number of those engaged in private farming has increased more than 4.8-fold, and the number of those employed at private enterprises—three-fold.

Those employed at leased enterprises, joint-stock societies, economic associations, concerns, consortiums, and partnerships comprise one-fifth of all those employed in the national economy.

Among small enterprises surveyed by state statistical organs, 34 percent are in private hands; 25 percent are owned by economic partnerships; 17 percent each are state property and the property of collective enterprises; and six percent are joint-stock societies.

The privatization process in industry is lagging behind the schedule envisaged by the State Program, thus putting constraints on the formation of the class of proprietors and of a competitive environment in the economy. For instance, territorial committees on the management of property have made privatization decisions on only 1,180 industrial enterprises (four percent of their total number). In practical terms, 535 facilities have been fully privatized, including 62 enterprises in the machine building industry; 70 enterprises in the lumber, woodworking, and pulp and paper industry; 94 in the construction materials industry; 105—in the light industry; and 148—in the food processing industry.

The share of nonstate sector in the total number of industrial enterprises is small—about four percent of the total number of enterprises are privately owned.

In capital construction, the state sector still accounts for the major part of the contract work performed. In the environment of emerging market relations, joint-stock societies represent the most effective economic form. Over nine months of this year, the share of contract work performed by them has increased from five to 12 percent: commissioning of residential housing—from two to 11 percent; and that of general education schools—from one to nine percent.

Contributing to the decline of the cooperative movement in construction are unequal economic conditions in the operation of state and cooperative enterprises, and difficulties in procuring raw materials and supplies, as well as with respect to the transportation of raw materials, supplies, and finished products, and with respect to obtaining contracts.

The privatization process in automotive transportation is proceeding slowly. As of 1 October of this year in Russia as a whole, there were 147 privatized automotive transportation enterprises (three percent of the total).

The economic reform is proceeding slowly with respect to forming a nonstate sector in consumer services. In January-September of this year, state-owned trade enterprises accounted for 73 percent of the retail trade turnover, and enterprises of consumer societies unions—for many years

virtually state-owned—accounted for another 20 percent. Privately owned trade enterprises accounted for only three percent of the turnover.

By 1 October of this year 10,800 retail trade enterprises, or 6.3 percent of their total number, had been privatized in the republic; of public catering enterprises, 3,200 (2.3 percent) have been privatized, and of consumer services enterprises—6,800 (5.4 percent).

The destatization of the service sector enterprises is done mainly through commercial bidding (48 percent) and auction sales (21 percent).

Although the development of the free trade sector has gained momentum this year, so far it accounts for only one-seventh of all consumer purchases. Over nine months of this year the per capita value of purchases from private individuals amounted to R1,761. Of this, R615 went for food products, R26 for alcoholic beverages, and R1,120—for nonfood consumer items. Industrial enterprises sold R54 billion worth consumer goods through free trade channels (three percent of the total retail turnover).

By 1 October of 1992 the total number of peasant (privately-owned) farms in the Russian Federation was 148,700, with the total area of 6.3 million hectares of land (42 hectares per farm on average). The September increase amounted to almost 10,000 farms, as compared with a monthly increase of 6,000-7,000 during June-August of this year.

The process has begun of allocating land to servicemen transferred to the reserves who intend to start private farms. By 1 October, slightly more than 500 farms owned by former military servicemen had been registered, with the total land allocated amounting to 16,400 hectares (32 hectares on average).

A survey of the status as of 1 July of this year of 78,000 peasant (privately owned) farms (61 percent of their total number), conducted by the State Committee for Statistics, showed that material and technical supply remain one of the most acute issues in the establishment and development of private farming.

Over nine months of this year, peasant (privately owned) farms received 74,400 tonnes of automotive gasoline (97 percent of contracted volume), and 128,700 tonnes of diesel fuel (56 percent). These farms account for 0.9 percent of total deliveries of these resources to agro-industrial complex enterprises. The existing situation is forcing the farmers to take the road of cooperation and of joint acquisition and use of equipment. More than half of surveyed farmers are members of various farm associations.

Private farms' inventory of equipment has improved somewhat as compared with the data of a similar survey as of 1 January of this year. By the middle of the year, there were 55 tractors for each 100 farms (48 as of 1 January of this year); 23 trucks (17), 24 plows (20), 21 sowing attachments (14), and 11 grain harvesting combines (eight).

Of the agricultural equipment currently at the disposal of private farm owners, 10-15 percent was received by them free of charge; 20-30 percent is leased or rented; and most equipment (65-70 percent of tractors, trucks, agricultural machinery and equipment, as well as more than 50 percent of grain harvesting combines) have been purchased.

The farmers' limited financial means and growing prices for fodder and young animals are putting constraints on the development of animal husbandry on those farms. By 1 July of this year, there were on average no more than four head of cattle per farm—including one cow, two pigs, six sheep, and 11 head of poultry. Measured by the number of cattle per unit of land area, private farms are lagging by a factor of two or three behind kolkhozes and sovkhozes. Farmers' animal husbandry facilities are poorly outfitted: More than half of them do not have running water, one-third do not have electricity, and almost 40 percent do not have normal access roads.

As was expected, four out of every five farmers surveyed see high prices for agricultural equipment and construction materials as the main obstacle to the future development of their farms; two-thirds are experiencing shortages of specialized equipment, seed, fertilizers, and other material and technical resources; almost one-half noted difficulties in obtaining credit and high interest rates. Every other respondent was not certain of the long-term nature of the current agricultural reform. A relatively small number of farmers (15-20 percent) are experiencing resistance in the implementation of the land reform (difficulties in getting the land allocated, obstacles created by farm managers, negative attitudes on the part of the population).

By the end of the year, while new farms will continue to appear, we may see the beginning of a process whereby farmers will abandon the land and cease their economic activities. Since the beginning of 1992, 3,300 private farms already have ceased to function. In these circumstances, it is important to maintain state support—first and foremost financial—for private farming.

Reorganization of kolkhozes and sovkhozes continues. By 1 October, 10,600, or 42 percent of the total, have reregistered. The collectives of 4,500 farms (43 percent of those reregistered) decided to maintain the existing status of their enterprises.

In the process of reorganizing kolkhozes and sovkhozes, more than 300 joint-stock unrestricted societies have been established, as well as 3,800 limited liability partnerships and mixed partnerships, 613 agricultural cooperatives, and 27,300 peasant (privately owned) farms. Also, 296 kolkhozes and sovkhozes have been converted into auxiliary economic units of enterprises and organizations. It should be noted that 681 peasant farm associations have been created on the basis of kolkhozes and sovkhozes; of them, no individual farms were registered in 405 associations.

During January-September in the Russian Federation, 1.2 million apartments have been privatized in the buildings that are part of the state and public housing stock, which comprises almost four percent of the total number of apartments subject to privatization. The total area of

privatized apartments is 57 million square meters, and the average size of an apartment is 49 square meters.

As compared with the corresponding period of last year, the number of privatized apartments in Russia has increased 15-fold.

The general number of apartments privatized in January-September includes 900,000 apartments (79 percent) out of the area of 44 million square meters transferred free of charge to the private property of citizens of the Russian Federation.

#### Industry

In September, the depth of decline in industrial production was less severe as compared with August and amounted to 25 percent (27 percent in August).

The industrial production dynamics for various periods of the years is characterized by the following data:

	As a percentage of the corresponding period in 1991
1st quarter	87.0
1st half of the year	86.5
July	78.5
August	72.8
September	75.2
January-September	82.4

As compared with the preceding months, a certain increase of the average daily output (recovery) was observed in September in the production of a number of varieties of products, such as gas, coal, excavators, freight and passenger railroad cars, tractors, synthetic resins and plastics, prefabricated homes made of wood, wood particle board, cement, asbestos, all types of fabrics, hosiery, refrigerators and freezers, meat, cereals, bread and bakery products, and some others.

In the fuels sector overall for nine months of this year, the production of oil fell by 49 million tonnes (14 percent) as compared with the same period of last year; of coal—by 11 million tonnes (four percent); and of gas—by 3.4 billion cubic meters (0.7 percent). Because of the beginning of the fall-winter season and the increased demand for fuel on the part of the thermal electric power utilities, the daily production of boiler oil has increased in September as compared with August (by 10 percent).

In ferrous metallurgy in September of this year, as compared with the corresponding period of last year, the production of finished rolled metal has declined by 17 percent, and of steel pipe—by 26 percent. There has been a substantial decline in the production of many economical varieties of metal products, such as heat-hardened rolled metal and that made of low-alloy steel, bent section steel, and ultra-high-test oil line pipe (by 16-26 percent).

In machine building, as compared with July and August, the decline in production slowed down somewhat in September with respect to freight railroads cars, tractors, grain

harvesting combines, and alternate current electric motors, while with respect to a number of items—among them excavators, passenger railroad cars, and trucks—the average daily production has increased as compared with preceding months. However, with respect to most items, the lag behind last year's level was substantial, and amounted to 13-22 percent in the production of large electric machinery, explosion-proof electric motors, metal cutting machine tools, and self-propelled and drawn cranes; with respect to automotive graders, trolley buses, tractors, and grain harvesting combines, the lag amounted to 23-27 percent.

As compared with the same period of last year, the production of commercial timber has declined by 18.8 million cubic meters (13 percent) in September, which in turn led to a decline of 16-25 percent in the production of lumber, mine timber, plywood, railroad beams and ties, and window and door frames.

In the pulp and paper industry, the output of paper has declined by 22 percent since the beginning of the year as compared with the level of January-September of last year, including newsprint—by 37 percent, and cardboard—by 14 percent.

In the construction materials industry, the decline in the volume of capital construction, and difficulties in selling industry output at prices that have undergone manifold increases, resulted in a decline in the production of most varieties of construction materials in January-September: cement, construction brick, roofing slate, pliable roofing and insulation, window glass, and high-grade asbestos—by 6-17 percent; and of preassembled ferroconcrete components and items, panels for large-panel housing, and steel wall and roofing panels—by 14-29 percent.

During the elapsed period of the year, because of systematically diminishing deliveries of Central Asian cotton, necessitated by changes in contract terms and high prices asked by its suppliers (R30,00 per tonne), the cotton industry enterprises have reduced the output of practically all items made of cotton: one-ply and span cotton yarn—and, consequently, fabrics (by one-third), and thread (by seven percent).

The enterprises of the Intex concern, which account for the production of one-quarter of all cotton fabrics in Russia, are working at half capacity because of the shortage of raw materials. The loss of productive time in the third quarter amounted to 1,566,000 man-days—double that of the second quarter. In September of this year the output of cotton fabrics amounted to only one-third of that of last year's September.

As compared with the same month of last year, in September of this year the production of most food products declined. As a result, over January-September of this year, as compared with January-September of 1991, the production of whole-milk products fell by one-half; of meat, sausage, confectionery items, cereals, and tea—by 24-32 percent; and of margarine and vegetable oil—by 12 percent and 19 percent, respectively.

As of 11 October 1992, the sugar contents of the sugar beet accepted for processing was lower than that as of the same date last year. The output of granulated sugar, however, has increased by 91,300 tonnes as of this date as a result of processing a greater volume of root crops (by nine percent) during this period.

#### Agriculture

The harvesting of grain crops (excluding corn) in the republic is practically completed. By 19 October grain has been threshed from an area of 53.2 million hectares, including 1.5 million hectares last week. There remain 1.6 million hectares of these crops to harvest, of which 1.3 million hectares are in the Urals and in Siberia.

The volume of threshed grain (in initial book weight) amounted to 104.4 million tonnes, or 19.6 quintals per hectare on average (in 1991, it was 90.9 million tonnes and 16.2 quintals per hectare, respectively). In addition, 0.7 million tonnes of corn have been harvested.

During the elapsed week 0.9 million tonnes of grain was delivered to state grain procurement enterprises, as compared with 1.1 million tonnes during the preceding week. Total grain procurement amounted to 22.5 million tonnes (21 percent of the threshed volume), which is seven percent more than by this time last year. Mandatory deliveries to state stocks have been fulfilled to the extent of 77 percent. Samara and Tyumen Oblasts joined the list of territories that have exceeded the minimum mandatory deliveries targets. Mandatory delivery targets have been met to the extent of 94 percent or more by Kaluga, Ryazan, and Voronezh Oblasts and the Kalmyk Republic. At the same time, in Volgograd and Saratov Oblasts and in Krasnodar Kray, grain procurement is currently at the level of 60-64 percent of the mandatory targets.

By 19 October beets had been harvested from 72 percent of the area sown, yielding 19.4 million tonnes, or 198 quintals per hectare (172 quintals in 1991). During the past week beets were harvested from 133,000 hectares, which is 19 percent less than during the preceding week. Sales of sugar beet to state stocks amounted to 8.9 million tonnes. The established minimum targets for deliveries of this crop to state reserves have been exceeded by nine percent. As compared with last year, however, sales of sugar beet to the state amounted to half as much as that of the previous year, and the share of beet procurement in relation to its production amounted to only 52 percent (77 percent in 1991). A considerable volume of beets is brought by agricultural enterprises to processing plants on buy-back terms.

The harvesting of sunflower for seed is proceeding with a considerable lag as compared with years past. By 18 October of this year sunflower seeds had been threshed from 37 percent of the area sown; in 1991, by this time 86 percent of the area sown had been harvested, and in 1990—more than one-half. The average threshed yield of sunflower seeds amounted to 14 quintals per hectare, as compared with 12 quintals a year ago. The total output amounted to 1.4 million tonnes of seeds.

Potatoes in public enterprises have been dug from 91 percent of planted area, and vegetables harvested from 65 percent of the area. The total yield of potatoes was 7.3 million tonnes, and of vegetables—2.6 million tonnes; last year by this time the yield amounted to 8.9 million tonnes and 3.8 million tonnes of these crops, respectively.

By 19 October, 2.1 million tonnes of potatoes had been procured for state stocks (one-half of last year's volume), as well as 1.9 million tonnes of vegetables (58 percent) and 365,000 tonnes of fruit and berries (81 percent). The volume of vegetable and fruit deliveries to state stocks has exceeded the minimum mandatory targets for this year, while that of potatoes amounted to two-thirds of the target level.

There have been considerably fewer winter crops sown and less land plowed for spring planting than last year. Winter crops for grain have been sown in kolkhozes and sovkhozes on 16.8 million hectares, and land plowed on 39.1 million hectares (last year it was 19.8 million hectares and 55.7 million hectares, respectively). This may have a negative effect on the production of grain in 1993.

#### The Consumer Market

During the past week (5-9 October) there was practically no change in the situation on the consumer market. The number of cities where certain products were easily obtainable continued to increase: meat (from 46 to 50), sugar (from 33 to 35), and vegetable oil (from 28 to 31), which was first and foremost the result of releasing trade reserves for sale (the reserves of these products in the retail network fell during the week by 6-10 percent).

Disruptions in the availability of butter have become more frequent. Butter was not available for sale in the stores in Smolensk, Voronezh, Kursk, Tambov, Elista, Makhachkala, Nalchik, Vladikavkaz, and Grozny.

The most stable supply on the consumer market was that of whole-milk products, eggs, vegetables, and bread.

Below is the grouping of cities that characterizes the state of the market in basic food products during the elapsed week (from the data of observations in the stores of 76 capitals of Russia's constituent republics, and oblast and kray centers):

	Number of Cities Where the Item			Store Saturation Index *	
	Was Available		Was Not Available for Sale	10/05-10/09	09/21-09/25
	Easily, Without Standing in Line	After Standing in Line or With Special Coupons			
Meat	50	4	22	2.9	3.1
Whole milk products	69	3	4	3.8	3.8
Butter	65	2	9	3.8	3.6
Eggs	70	1	5	3.8	3.8
Sugar	35	10	31	2.5	2.5
Vegetable oil	31	3	42	2.2	2.3
Potatoes	68	1	7	3.8	3.7

Note: The value of this index is between 1 and 4 and is calculated as a weighted average, taking into account the grouping of cities depending on the following situation on the market: The commodity is not available for sale (1), is sold by coupons (2), is available after standing in line (3), is easily available (4).

By the middle of October, there was considerably increased buyer activity with respect to detergents. The saturation index of surveyed stores with respect to facial and household soaps and synthetic detergents fell. Prices for facial soap fluctuated from R4 in Cheboksary to R35 in Saransk, and for household soap—from R8 in Tver to R36 in Kurgan.

#### The Consumer Market Price Level

During the second week of October (from 6 to 13) prices for food products increased—taking the city market into account—at a rate of 5.3 percent, which is somewhat lower than during the preceding week (7.1 percent).

Price changes for basic food products by aggregated groups of commodities are presented below (in percents):

	Total	Including:	
		In retail trade	on the city market
All food products (70 items)	105.3	105.9	103.8
<b>Including:</b>			
Meat and meat products	103.9	106.0	102.0
Edible fats	106.3	105.9	110.4

	Total	including:	
		in retail trade	on the city market
<b>including:</b>			
Vegetable oil	108.7	106.0	108.0
Dairy products and cheeses	107.1	106.9	108.2
Eggs	111.5	112.0	105.2
Sugar	105.1	104.9	
Confectionery items	108.8	109.2	
Flour	112.7	113.0	
Bread and bakery goods	109.5	109.5	
Grain and pasta products	106.1	105.8	
Potatoes and vegetables	103.0	101.0	104.2

The greatest increase in retail trade prices were registered for tea and rye flour (over 20 percent), as well as eggs, highest grade wheat flour, wheat bread and bakery goods made of it, pasta products and cereals, canned fruit for children, and apples (from 10 to 20 percent). Prices continued to increase for milk and dairy products, butter, and vegetable oil (3 to 10 percent).

The pace of price increases at the city markets slowed down somewhat. As compared with the preceding week, the most perceptible decrease was registered with respect to dairy products—by 11 points, fats—by eight points, and eggs—by 16 points.

As a rule, prices are higher in the regions with higher wages (Magadan, Syktyvkar, Murmansk, Kemerovo, Yuzhno-Sakhalinsk, Khabarovsk). A lower level of both prices and wages exists in Penza, Nalchik, Yoshkar-Ola, and Kyzyl. At the same time, while the average wage in Moscow and Kazan is on the same level (R4,900), prices for food products in the capital of Russia are almost 1.5 times higher.

The greatest increase for nonfood consumer goods over the week was registered for knitwear (12.5 percent) and cultural and household goods (10.2 percent). The average price of a sweater was R2,400, of a refrigerator—R31,600, and of color television—R32,300.

The average price of a liter of gasoline in the second part of September increased by a factor of 2.7 and amounted to R20.6 in Russia on average. In more than half of the 132 surveyed cities, gasoline was sold at a price higher than R20 per liter, and only mainly in the cities of Western and Eastern Siberia and in some cities in the Urals did it cost less than R15 per liter; in Ukhta, Tambov, Astrakhan, Maykop, Makhachkala, Vladikavkaz, Krasnodar, Armavir, Stavropol, and Shakhty it cost over R30. The cost of one tonne of coal increased by 40 percent over the month (R204); of one cubic meter of firewood and peat briquettes—by 42 percent (R94 and R166, respectively). Rates for electric power for nonindustrial consumers have increased by almost 40 percent.

#### Presence (Absence) of Goods in Cities as Registered on 13 October

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
					total	
Beef, Category I	111	21	15.91	125	7	5.30
Pork	59	73	55.30	123	9	6.82
Meat patties (per 10)	34	98	74.24	34	98	74.24
Pelmeni (meat-filled dumplings), frozen	41	91	68.94	41	91	68.94
Boiled sausage, Grade I	115	17	12.88	115	17	12.88
Salami, Grade I	116	16	12.12	116	16	12.12
Live fish	34	98	74.24	43	89	67.42

## Presence (Absence) of Goods in Cities as Registered on 13 October (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
	in retail trade			total		
Mackerel, quick-frozen, refrigerated, unsegmented	16	116	87.88	16	116	87.88
Fish fillet (mackerel)	6	126	95.45	6	126	95.45
Smoked fish (mackerel)	32	100	75.76	32	100	75.76
Herring, salted and brined, ivasi	49	83	62.88	49	83	62.88
Butter	125	7	5.30	126	6	4.55
Vegetable oil	75	57	43.18	92	40	30.30
Melted pork fat	30	102	77.27	30	102	77.27
Table margarine	90	42	31.82	92	40	30.30
Pasteurized milk, 1.5-3.5 percent fat	126	6	4.55	129	3	2.27
Fatty kefir	106	26	19.70	106	26	19.70
Sour cream	123	9	6.82	126	6	4.55
Cottage cheese	60	72	54.55	94	38	28.79
Low-fat cottage cheese	53	79	59.85	55	77	58.33
Powdered cow's milk	62	70	53.03	62	70	53.03
Hard rennet cheese (of the varieties Poshek-honskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Hollandskiy, etc.)	101	31	23.48	101	31	23.48
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	52	80	60.61	52	80	60.61
Feta cheese	10	122	92.42	15	117	88.64
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	65	67	50.76	65	67	50.76
Canned fish, price per standard 350-gram can, salmon in tomato sauce	25	107	81.06	25	107	81.06
Canned tomato puree and paste	66	66	50.00	66	66	50.00
Canned fruit for children	58	74	56.06	58	74	56.06

## Presence (Absence) of Goods in Cities as Registered on 13 October (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
	in retail trade			total		
Chicken eggs (price per 10)	125	7	5.30	128	4	3.03
Granulated sugar	96	36	27.27	97	35	26.52
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	101	31	23.48	101	31	23.48
Spice cake, bulk	102	30	22.73	102	30	22.73
Caramel candy, wrapped	68	64	48.48	69	63	47.73
Bohea black tea, highest quality	96	36	27.27	96	36	27.27
Salt	124	8	6.06	124	8	6.06
Rye flour	7	125	94.70	7	125	94.70
Highest grade wheat flour	89	43	32.58	90	42	31.82
Rye bread	31	101	76.52	31	101	76.52
Rye-wheat bread	75	57	43.18	75	57	43.18
Wheat bread from entire-wheat flour	5	127	96.21	5	127	96.21
Wheat bread from highest grade flour	60	72	54.55	60	72	54.55
Wheat bread from Grade I and Grade II flour	95	37	28.03	95	37	28.03
Rolls and buns from highest grade wheat flour, price per 500 grams	103	29	21.97	103	29	21.97
Rolls and buns from Grade I wheat flour, price per 500 grams	38	94	71.21	38	94	71.21
Rolls and buns from Grade II wheat flour, price per 500 grams	1	131	99.24	1	131	99.24
Pretzels, Grade I wheat flour	73	59	44.70	73	59	44.70
Rusks, Grade I wheat flour	65	67	50.76	65	67	50.76
Milled and pol- ished rice	96	36	27.27	96	36	27.27
Semolina	78	54	40.91	79	53	40.15
Milled millet	48	84	63.64	48	84	63.64
Unground buck- wheat	48	84	63.64	48	84	63.64
Gerkules oatmeal	35	97	73.48	35	97	73.48

## Presence (Absence) of Goods in Cities as Registered on 13 October (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
	In retail trade			total		
Ground split peas	16	116	87.88	17	115	87.12
Macaroni, ordinary and fancy, various styles of cut (long and short), made from highest grade wheat flour	46	86	63.15	47	85	64.39
Macaroni, ordinary and fancy, various styles of cut (long and short), made from Grade I wheat flour	10	122	92.42	10	122	92.42
Noodles, made from highest grade wheat flour	52	80	60.61	52	80	60.61
Vermicelli, made from highest grade wheat flour	103	29	21.97	103	29	21.97
Elbow macaroni, all varieties, from highest grade wheat flour	67	65	49.24	67	65	49.24
80-proof vodka, price per liter	110	22	16.67	114	18	13.64
Mayonnaise	67	65	49.24	70	62	46.97
Potatoes	129	3	2.27	131	1	0.76
Fresh green-head cabbage	123	9	6.82	128	4	3.03
Yellow onions	127	5	3.79	129	3	2.27
Garlic	40	92	69.70	108	24	18.18
Red beets	117	15	11.36	122	10	7.58
Carrots	111	21	15.91	126	6	4.55
Apples	110	22	16.67	127	5	3.79
Tobacco products, price per pack of papirosy	60	72	54.55	68	64	48.48
Tobacco products, price per pack of filter cigarettes	114	18	13.64	117	15	11.36
Matches	120	12	9.09	121	11	8.33

## Presence (Absence) of Goods in Cities as Registered on 13 October

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
			In retail trade
Men's light overcoat, wool blend	58	74	56.06
Two-piece suit, wool blend	122	10	7.58
Men's trousers, wool blend suit fabric	123	9	6.82
Men's shirt, cotton fabric	119	13	9.85
Women's light overcoat, wool blend	114	18	13.64
Women's dress, wool blend	83	49	37.12
Boys' jacket, lined, synthetic fabric	94	38	28.79
Girls' dress, wool blend	74	58	43.94
Boys' shirt, flannel or fustian	86	46	34.85
Men's jumper (sweater), pure wool yarn	97	35	26.52
Children's T-shirt, cotton fabric	86	46	34.85
Women's pantyhose, elastic	125	7	5.30
Men's socks, cotton	123	9	6.82
Children's socks, cotton	108	24	18.18
Children's tights, cotton	110	22	16.67
Men's low shoes, fashion, with natural leather sole	81	51	38.64
Women's boots, low-heel or platform sole, lined with textile material, with polyurethane sole	87	45	34.09
Women's summer shoes, fashion, with high (or medium) heel, with natural leather sole or imitation leather	109	23	17.42
Summer shoes for school-age girls, medium heel, porous rubber sole	76	56	42.42
Refrigerator, floor-standing, semi-automatic defrost (KSh-260)	36	96	72.73
Electric iron, automatic	81	51	38.64
Color television, nonportable (screen diagonal 61-cm)	55	77	58.33
Gasoline	120	12	9.09
Coal	113	19	14.39
Firewood	97	35	26.52
Peat briquettes	23	109	82.58

## Average Prices for Food Products in the Russian Federation (Retail Trade)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
A	1	2	3	4
Beef, Category I	95.20	101.31	112.88	116.76
Pork	105.21	114.07	125.76	134.79
Meat patties (per 10)	72.94	77.90	96.29	97.41
Pelmeni [meat-filled dumplings], frozen	68.33	70.32	81.09	90.34
Boiled sausage, Grade I	148.33	151.02	167.24	180.82
Salami, Grade I	222.53	230.56	253.79	271.51
Live fish	54.15	57.90	60.81	62.30

## Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
A	1	2	3	4
Mackerel, quick-frozen, refrigerated, unsegmented	46.41	51.12	54.25	58.17
Fish fillet (mackerel)	67.46	78.29	89.81	83.91
Smoked fish (mackerel)	122.22	137.87	144.82	154.82
Herring, salted and brined, ivashi	84.81	85.66	93.72	102.25
Butter	195.59	205.77	221.93	233.22
Vegetable oil	65.68	72.04	77.58	83.97
Melted pork fat	73.84	78.43	88.31	99.27
Table margarine	78.42	79.58	86.89	96.44
Pasteurized milk, 1.5-3.5 percent fat	10.25	10.47	11.68	12.72
Fatty kefir	11.58	12.02	12.90	14.04
Sour cream	59.56	60.18	71.05	76.97
Cottage cheese	45.44	50.19	53.89	56.24
Low-fat cottage cheese	23.64	23.81	27.54	33.39
Powdered cow's milk	96.80	102.87	109.65	116.78
Hard rennet cheese (of the varieties Poshekbonkiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	161.26	165.16	173.36	180.62
Pasteurized processed cheese (of the varieties Druzhba, Volina, Yantar, Leto)	131.38	128.64	145.48	147.92
Feta cheese	98.66	97.08	108.86	112.34
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	42.14	44.16	43.66	49.92
Canned fish, price per standard 350-gram can, salmon in tomato sauce	52.16	56.72	60.24	64.34
Canned tomato puree and paste	61.54	61.43	65.36	72.21
Canned fruit for children	60.56	76.81	85.14	88.00
Chicken eggs (price per 10)	30.89	33.10	39.53	44.51
Granulated sugar	68.11	70.28	77.47	82.04
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	85.00	87.11	91.83	98.64
Spice cake, bulk	66.31	68.76	75.25	80.25
Caramel candy, wrapped	129.48	141.25	146.29	149.99
Bohea black tea, highest quality	373.47	390.11	412.41	542.95
Salt	6.74	7.24	7.35	7.37
Rye flour	9.95	9.47	10.35	15.55
Highest grade wheat flour	22.49	22.75	28.22	32.39
Rye bread	12.05	14.65	17.60	18.60
Rye-wheat bread	13.39	14.99	17.25	18.63
Wheat bread from all-wheat flour	7.06	6.19	6.54	7.64
Wheat bread from highest grade flour	24.82	28.53	30.93	32.87
Wheat bread from Grade I and Grade II flour	15.78	16.53	20.54	22.99
Rolls and buns from highest grade wheat flour, price per 500 grams	14.54	15.20	16.18	18.36
Rolls and buns from Grade I wheat flour, price per 500 grams	11.54	12.28	15.66	16.32
Rolls and buns from Grade II wheat flour, price per 500 grams	9.81	17.13	28.00	28.00

## Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
A	1	2	3	4
Pretzels, Grade I wheat flour	45.10	44.35	48.69	54.30
Rusk, Grade I wheat flour	61.39	61.98	64.32	68.28
Milled and polished rice	34.45	34.39	39.77	41.10
Semolina	19.31	22.57	22.18	28.00
Milled millet	14.61	14.97	15.77	17.01
Unmilled buckwheat	58.60	61.25	61.90	62.47
Gerkules oatmeal	27.86	28.62	31.25	32.26
Ground split peas	13.53	16.28	19.83	19.73
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	44.06	48.02	47.86	55.45
Macaroni, regular and fancy, various styles of cut (long and short), made from Grade I wheat flour	30.86	32.44	35.15	37.98

Note: The commodity price is per kilogram, meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter, canned fish products per standard can, tobacco items and matches—per pack

Noodles, made from highest grade wheat flour	34.56	33.48	37.60	42.11
Vermicelli, made from highest grade wheat flour	36.64	37.20	39.53	42.93
Elbow macaroni, all varieties, from highest grade wheat flour	33.73	35.63	37.18	38.15
80-proof vodka, price per liter	287.78	301.58	318.53	324.57
Mayonnaise	94.64	102.55	108.66	116.06
Potatoes	20.55	21.58	22.00	23.11
Fresh green-head cabbage	16.18	19.34	19.25	19.65
Yellow onions	22.98	24.04	26.56	26.60
Garlic	129.41	154.86	161.96	170.48
Red beets	16.91	19.70	19.84	20.31
Carrots	21.27	21.33	21.64	22.71
Apples	38.12	39.68	40.10	47.74
Tobacco products, price per pack of papirosy	19.32	21.14	23.23	24.34
Tobacco products, price per pack of filter cigarettes	48.13	51.12	51.62	56.39
Matches	1.37	1.37	1.37	1.45

## Average Prices for Food Products in the Russian Federation (City Market)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
Beef, Category I	156.96	167.17	174.38	172.54
Pork	170.87	181.84	191.00	196.01
Pelmeni [meat-filled dumplings], frozen	90.00	124.79	131.13	130.71
Boiled sausage, Grade I	160.00	192.65	205.88	
Salami, Grade I	291.60	316.64	316.19	301.67
Live fish	54.68	51.62	55.72	57.02
Herring, salted and brined, raw				
Butter	214.99	231.61	256.14	265.58
Vegetable oil	89.38	106.09	115.37	124.21
Melted pork fat	70.00	71.25	84.29	97.27
Table margarine	101.82	120.90	140.50	135.69
Pasteurized milk, 1.5-3.5 percent fat	18.42	19.65	20.17	20.97

## Average Prices for Food Products in the Russian Federation (City Market) (Continued)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
<b>Fatty kefir</b>				
Sour cream	167.90	174.97	198.33	209.42
Cottage cheese	69.77	78.99	84.97	90.98
Low-fat cottage cheese	32.97	36.68	41.96	42.20
Powdered cow's milk	100.00			
Hard rennet cheese (of the varieties Poshekhonskiy, Rousiyskiy, Kostromskoy, Yaroslavskiy, Goliandskiy, etc.)	189.28	244.48	338.68	378.86
Pasteurized processed cheese (of the varieties Druzhba, Volina, Yantar, Leto)			180.00	190.00
Feta cheese	108.94	122.08	136.62	142.77
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, sard)	50.00	52.43	51.07	60.31
Canned fish, price per standard 350-gram can, salmon in tomato sauce	65.00	65.00	66.11	71.23
Canned tomato puree and paste	88.23	68.00		85.00
Canned fruit for children		90.00	184.71	196.87
Chicken eggs (price per 10)	42.11	50.59	61.70	71.63
Granulated sugar	88.51	98.12	102.50	102.24
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	116.36	110.00	114.74	123.20
Spice cake, bulk	123.68	95.00	92.00	98.00
Caramel candy, wrapped	167.21	187.08	209.51	189.64
Bohea black tea, highest quality	731.45	653.66	727.62	769.69
<b>Salt</b>				
Highest grade wheat flour	26.25	28.60	32.67	33.44
Wheat bread from highest grade flour	25.00	25.00	25.00	
Pretzels, Grade I wheat flour				
Milled and polished rice	38.64	50.26	53.25	52.40
Semolina	25.00	27.14	25.00	25.00
Milled millet	25.00		40.00	
Unmilled buckwheat	72.74	69.25	72.56	82.11
Gerkules oatmeal		36.67	56.67	53.20
Ground split peas				30.00
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	72.44	75.43	74.93	79.51
Vermicelli, made from highest grade wheat flour		70.00	70.00	70.00
Elbow macaroni, all varieties, from highest grade wheat flour				80.53
80-proof vodka, price per liter	359.81	362.77	376.47	406.85
Mayonnaise	160.00	154.78	125.99	141.86
Potatoes	18.08	18.04	17.87	18.17
Fresh green-head cabbage	17.90	19.17	19.06	20.36
Yellow onions	30.06	29.33	30.18	31.88
Garlic	137.46	150.30	157.06	177.30
Red beets	26.26	27.36	29.67	29.13
Carrots	24.60	25.57	28.88	28.58

## Average Prices for Food Products in the Russian Federation (City Market) (Continued)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
Apples	36.49	42.73	41.74	44.50
Tobacco products, price per pack of papirosy	25.73	26.85	29.02	31.00
Tobacco products, price per pack of filter cigarettes	65.50	59.06	57.57	66.26
Matches	2.20	2.33	2.24	2.29

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter; canned fish products per standard can; tobacco items and matches—per pack

## Average Prices for Food Products in the Russian Federation (Retail Trade and City Market)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
Beef, Category I	129.32	136.75	146.64	147.69
Pork	161.92	170.85	181.22	188.31
Meat patties (per 10)	72.94	77.90	96.29	97.41
Peimeni (meat-filled dumplings), frozen	68.37	70.86	81.97	90.93
Boiled sausage, Grade I	148.35	151.02	167.31	180.89
Salami, Grade I	224.28	232.22	255.16	272.05
Live fish	54.24	56.70	59.90	61.33
Mackerel, quick-frozen, refrigerated, unsegmented	46.41	51.12	54.25	58.17
Fish fillet (mackerel)	67.46	78.29	89.81	83.91
Smoked fish (mackerel)	122.22	137.87	144.82	154.82
Herring, salted and brined, i.vassi	84.81	85.66	93.72	102.25
Butter	196.60	206.89	223.73	234.99
Vegetable oil	69.56	77.70	84.39	93.15
Melted pork fat	73.72	77.98	88.21	99.19
Table margarine	78.55	79.87	87.57	97.13
Pasteurized milk, 1.5-3.5 percent fat	10.41	10.62	11.84	12.88
Fatty kefir	11.58	12.02	12.90	14.04
Sour cream	70.90	69.73	83.40	89.67
Cottage cheese	53.22	60.00	64.11	67.57
Low-fat cottage cheese	23.83	24.06	27.78	33.59
Powdered cow's milk	96.80	102.87	109.65	116.78
Hard rennet cheese (of the varieties Poshekhonskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	161.72	165.49	175.24	183.56
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	131.38	128.64	145.99	148.49
Feta cheese	105.23	113.07	127.90	126.08

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter; canned fish products per standard can; tobacco items and matches—per pack

Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	42.20	44.22	43.75	50.10
Canned fish, price per standard 350-gram can, salmon in tomato sauce	52.98	56.86	60.52	64.67
Canned tomato puree and paste	61.83	61.45	65.36	72.26
Canned fruit for children	60.56	77.17	85.84	88.97
Chicken eggs (price per 10)	31.55	34.00	40.95	45.90
Granulated sugar	68.51	70.98	78.21	83.01
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	85.58	87.35	92.12	99.06

## Average Prices for Food Products in the Russian Federation (Retail Trade and City Market) (Continued)

Representative products	09/22/92	09/29/92	10/06/92	10/13/92
Spice cake, bulk	66.45	68.82	75.28	80.28
Caramel candy, wrapped	131.15	144.37	148.87	151.73
Bohea black tea, highest quality	381.19	399.93	427.35	553.99
Salt	6.74	7.24	7.35	7.37
Rye flour	9.95	9.47	10.35	15.55
Highest grade wheat flour	22.56	22.90	28.32	32.40
Rye bread	12.05	14.65	17.60	18.60
Rye-wheat bread	13.39	14.99	17.25	18.63
Wheat bread from all-wheat flour	7.06	6.19	6.54	7.64
Wheat bread from highest grade flour	24.82	28.52	30.92	32.87
Wheat bread from Grade I and Grade II flour	15.78	16.53	20.54	22.99
Rolls and buns from highest grade wheat flour, price per 500 grams	14.54	15.20	16.18	18.36
Rolls and buns from Grade I wheat flour, price per 500 grams	11.54	12.28	15.66	16.32
Rolls and buns from Grade II wheat flour, price per 500 grams	9.81	17.13	28.00	28.00
Pretzels, Grade I wheat flour	45.10	44.35	48.69	54.30
Rusk, Grade I wheat flour	61.39	61.98	64.32	68.28
Milled and polished rice	34.59	34.56	39.96	41.39
Semolina	19.36	22.61	22.20	27.97
Milled millet	14.67	14.97	15.92	17.01
Unmilled buckwheat	58.76	61.55	62.31	64.12
Gerkules oatmeal	27.86	28.74	31.34	32.42
Ground split peas	13.53	16.28	19.83	20.04
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	44.48	49.18	48.35	56.20
Macaroni, regular and fancy, various styles of cut (long and short), made from Grade I wheat flour	30.86	32.44	35.15	37.98
Noodles, made from highest grade wheat flour	34.56	33.48	37.60	42.11
Vermicelli, made from highest grade wheat flour	36.64	37.28	39.63	43.02
Elbow macaroni, all varieties, from highest grade wheat flour	33.73	35.63	37.18	38.45
80-proof vodka, price per liter	289.22	303.25	320.72	327.50
Mayonnaise	94.75	103.43	109.02	116.51
Potatoes	18.71	19.00	19.21	19.89
Fresh green-head cabbage	16.70	19.29	19.20	19.84
Yellow onions	26.40	26.39	28.42	28.94
Garlic	135.60	151.28	158.14	175.80
Red beets	20.78	22.84	23.66	23.43
Carrots	23.04	23.44	25.00	25.43
Apples	36.85	42.04	41.28	45.43
Tobacco products, price per pack of papirosy	20.06	22.04	23.96	24.97
Tobacco products, price per pack of filter cigarettes	49.97	52.14	52.22	57.30
Matches	1.39	1.39	1.39	1.46

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter; canned fish products per standard can; tobacco items and matches—per pack.

Average Prices on Nonfood Products in the Russian Federation

Representative product	09/22/92	09/29/92	10/06/92	10/13/92
Men's light overcoat, wool blend	4,069.13	4,222.09	4,352.89	4,812.79
Two-piece suit, wool blend	3,308.01	3,383.08	3,453.11	3,530.37
Men's trousers, wool blend suit fabric	891.02	875.17	894.55	928.32
Men's shirt, cotton fabric	381.69	420.82	432.10	444.27
Women's light overcoat, wool blend	4,461.66	4,635.22	4,887.47	5,054.52
Women's dress, wool blend	969.72	934.00	1,030.56	1,021.15
Boys' jacket, lined, synthetic fabric	1,573.77	1,560.25	1,678.55	1,882.82
Girls' dress, wool blend	354.90	352.55	357.82	363.91
Boys' shirt, flannel or fustian	113.23	119.06	118.40	124.12
Men's jumper (sweater), pure wool yarn	1,932.78	1,973.49	2,070.80	2,359.39
Children's T-shirt, cotton fabric	52.99	53.66	53.35	53.95
Women's pantyhose, elastic	108.24	114.07	116.54	118.08
Men's socks, cotton	48.19	49.81	49.81	52.16
Children's socks, cotton	21.99	21.49	21.75	22.81
Children's tights, cotton	70.77	71.45	73.30	77.51
Men's low shoes, fashion, with natural leather sole	2,537.23	2,637.19	2,687.23	2,693.42
Women's boots, low-heel or platform sole, lined with textile material, with polyurethane sole	4,252.28	4,972.20	5,672.79	6,075.77
Women's summer shoes, fashion, with high (or medium) heel, with natural leather sole or imitation leather	2,316.54	2,389.73	2,390.81	2,444.87
Summer shoes for school-age girls, medium heel, porous rubber sole	418.02	449.88	459.75	447.76
Refrigerator, floor-standing, semi-automatic defrost (KSh-260)	22,870.22	25,414.37	28,269.47	31,625.09
Electric iron, automatic	807.32	856.81	940.95	990.15
Color television, nonportable (screen diagonal 61-cm)	25,496.74	27,676.11	29,741.57	32,325.73
Gasoline	8.48	13.31	17.54	20.64
Coal	168.06	190.77	201.14	203.73
Firewood	76.01	85.05	90.04	93.72
Peat briquettes	143.96	158.34	170.02	165.99
Electric power (urban localities)	0.24	0.26	0.30	0.32
Electric power (rural localities)	0.16	0.17	0.19	0.20

Note: The commodity price is per unit, gasoline per liter, coal per tonne, firewood and peat briquettes per cubic meter, and electric power per kilowatt-hour.

Cost of the Basic Food-Product Selection (as of 10/13/92), Taking City Market Prices Into Account

City	Selection Cost	City	Selection Cost
Magadan	1,218.16	Barnaul	538.65
Vladivostok	1,098.58	Nizhny Tagil	534.31
Petropavlovsk-Kamchatskiy	1,025.94	Obninsk	533.98
Yuzhno-Sakhalinsk	916.93	Belgorod	533.94
Nakhodka	861.99	Dzerzhinsk	532.87
Komsomolsk-na-Amure	850.56	Shuya	532.67
Blagoveshchensk	841.67	Novomoskovsk	526.16
Chelyabinsk	825.72	Bryansk	525.96
Murmansk	804.13	Novorossiysk	525.06

## Cost of the Basic Food-Product Selection (as of 10/13/92), Taking City Market Prices Into Account (Continued)

City	Selection Cost	City	Selection Cost
Prokopyevsk	803.74	Ulan-Ude	523.68
Kaliningrad	786.61	Divnogorsk	523.43
Syktyvkar	784.71	Groznyy	521.37
Perm	766.24	Nevinnomyssk	520.64
Vladikavkaz	759.08	Vladimir	518.39
Birobidzhan	732.19	Elista	513.77
Kemerovo	715.38	Tolyatti	513.70
Makhachkala	710.31	Berdak	512.74
Arkhangelsk	706.27	Lipetsk	510.78
Khabarovsk	693.13	Cheboksary	509.79
Armavir	687.76	Orenburg	508.31
Vorkuta	683.52	Voronezh	508.15
Apatity	662.83	Abakan	505.37
Severodvinsk	653.64	Sterlitamak	504.79
Angarsk	651.69	Tver	503.76
Cherkesak	650.69	Kirov	500.10
Yekaterinburg	644.02	Shebekino	497.60
Kurgan	636.80	Kostroma	496.95
Ivanovo	635.61	Ufa	496.52
Novokuznetsk	633.69	Ishimbay	495.15
Samara	625.51	Kirovo-Chepetsk	487.22
Sovetsk	622.21	Astrakhan	486.43
Krasnoyarsk	612.69	Novocherkassk	485.28
Tomsk	608.13	Maykop	483.74
Smolensk	607.89	Tayshet	483.32
Serov	604.17	Neftekamsk	479.66
Moscow	597.98	Rostov-na-Donu	476.21
Arzamas	594.80	Kursk	475.95
St. Petersburg	593.15	Volgograd	472.41
Irkutsk	588.06	Taganrog	471.58
Cherepovets	588.00	Balakovo	469.81
Ukhta	585.36	Gorno-Altaysk	469.78
Tyumen	585.22	Orsk	464.92
Kaluga	580.70	Vologda	462.72
Chita	577.71	Tambov	461.90
Petrozavodsk	570.46	Kyzyl	461.75
Miass	566.23	Saratov	461.62
Yurga	563.07	Omsk	460.64
Novgorod	561.79	Saransk	459.86
Novosibirsk	557.92	Nalchik	459.49
Stavropol	556.68	Yelets	453.07
Rybinsk	556.37	Penza	452.93
Nizhniy Novgorod	554.28	Volgodonsk	452.18
Izhevsk	553.54	Syzran	451.03

**Cost of the Basic Food-Product Selection (as of 10/13/92), Taking City Market Prices Into Account (Continued)**

City	Selection Cost	City	Selection Cost
Tula	532.27	Orel	445.56
Ryazan	549.77	Kamyshin	440.35
Yaroslavl	549.19	Yoshkar-Ola	422.56
Tuapse	546.99	Naberezhnye Chelny	422.40
Salchorsk	545.81	Kazan	398.66
Krasnodar	544.95	Biysk	388.71
Pskov	544.61	Chistopol	374.97
Shakhty	540.87	Ulyanovsk	311.15
Kopeyak	539.79	Russian Federation	554.11

**Central Bank Presents Report on Stabilizing Credit, Monetary System**

**Report's Main Provisions**

93440375A Moscow KOMMERSANT in Russian  
No 42, 16-22 Nov 92 p 11

[Text of Report's Main Provisions; place and date not given: "Main Provisions of the Central Bank's Report 'On Measures to Stabilize the Credit and Monetary System'"]

[Text]

**Evaluation and Forecast of the Economic Situation**

By the end of the year, the gross domestic product of Russia will come to 14-16 trillion rubles [R], which reflects a decrease (in comparable prices) by 21-23 percent. Comparable capital investments will be cut by 49-51 percent over last year.

According to 1992 totals, the deflator of the gross domestic product with respect to 1991 will be 1800-1900 percent. The level of inflation in the consumer sphere will be 2200 percent.

Given this, bank experts think that the forecast for the development of Russia's economy made by the Ministry of Economics is overly optimistic. The bank specialists' calculations indicate that in 1993 the drop in industrial production will be 12-15 percent, inflation 10-12 percent per month, and unemployment up to 3-5 million by the end of the year.

**Guidelines for Central Bank Monetary and Credit Policy for the Rest of 1992 and the First Quarter of 1993**

The TsB [Central Bank] is suggesting that the Russian Supreme Council approve special guidelines for the rate of growth of the volume of money in circulation. The bank feels it is essential to keep the average monthly rate of increase in the monetary mass in the first quarter of 1993 to the range of 19-21 percent. The bank is also determined to slow down the growth of centralized loans by commercial bank by means of legislative approval of quarterly limits on credit volumes. There is a proposal to implement the extension of government credits within the framework of the limit approved by the Supreme Council for the

increase in state debt in the form of a state loan at a rate equal to the level of the rate of discount of the Central Bank.

The bank is determined to carry out a more differentiated credit policy, giving substantial preference to scheduled investments. There is a proposal to create insurance funds to take on part of the risk of commercial banks for long-term credit extensions for enterprises. For the administration of long-term credit on the part of the state, there is a proposal to create specialized state-commercial banks to extend preferential credits and budgetary financing for capital investments.

**Monetary and Credit Policy Instruments in 1993**

The bank does not look on the policy of raising its rates to a positive level (with respect to rates of inflation) as an anti-inflationary measure. On the contrary, this kind of approach could encourage the inflation of expenses.

Moreover, the Central Bank does not consider it justified to raise the level of reserve requirements for commercial banks. At the same time, the TsB is proposing that reserve demands be spread out over a wider circle of credit institutions and for the fastest-growing types of bank deposits: the introduction of a progressive scale of reservation should a bank violate liquidity norms; the inclusion of a selection of means by which they can meet reserve demands (state securities, banks' ready cash).

In addition to this, the Central Bank is suggesting lowering the reserve requirements normative for banks that issue substantial credits to "priority spheres of the economy."

In order to stimulate the development of the securities market, the TsB may establish credit preferences for purchasers of securities, as well as a normative for mandatory investing in state securities for banks and other credit and finance institutions.

Central Bank experts consider the decision to impose an official rate of exchange for the ruble as of 1 July to be poorly thought out. Nonetheless, the TsB will refrain from any unilateral action in the area of currency policy in the belief that these issues must be a subject of discussion with the organs of legislative and executive power as well as of consultations with the International Monetary Fund.

**Analysis of Report**

934A0375B Moscow *KOMMERSANT* in Russian  
No 42, 16-22 Nov 92 p 11

[Article by Nitiita Kirichenko and Marina Shpagina, under the rubric "Central Bank Credit and Monetary Policy"; place and date not given: "Viktor Gerashchenko's Double: Service Is Service, but Money Is Something Else Entirely"]

[Text] The editors of *KOMMERSANT* have learned that on 16 November a report by the Russian Central Bank [TsB] "On Measures to Stabilize the Credit and Monetary System," prepared at the instruction of Rusian Khasbulatov, was transmitted to the budget commission of the Supreme Council. In the opinion of most observers, this document, along with the budgetary message worked out in the government (see *KOMMERSANT*, No. 40, p 20), will in many ways determine the entrepreneurial climate in Russia in 1993. The Central Bank's position appears to *KOMMERSANT*'s experts rather soft with respect to the productive sector and commercial banks and much harsher toward the state budget and government credit extensions. In other words, in 1993, the government has good chances of getting an idea of what a strict monetary policy is like in action.

It is curious that the Central Bank's "antigovernment" report wound up in the parliament only after Boris Yeltsin (at the behest of Yegor Gaydar) brought the Russian bank's chairman into the cabinet. This document may also have been designed to create in Viktor Gerashchenko's new colleagues a sense of being somewhat unofficial—it is signed not by Gerashchenko himself but by his deputy Aleksandr Khandruyev.

The main enemies of the ruble's stability are industrial decline and budgetary credits. TsB analysts, headed by Aleksandr Khandruyev, realized this, having studied the basic sources of money being thrown out into circulation. The figures characterizing the decline in production are completely convincing even in the estimate of the State Committee for Statistics and need no special commentary. Prices in industry, according to official data, rose by a factor of 7.8 even after the January jump, in the period February-October, and the monthly volumes of industrial production in value expression only by a factor of 4.1. Simple division of one index by the other shows that physical volumes of industrial production in October were 47.4 percent lower than at the beginning of the year. In addition, the quantity of money in circulation increased over that period by a factor of nearly 5.

The bank is essentially blaming the government for there being too much money in circulation. Charge-free borrowing under the sanction of the budget deficit totaled 53 percent of all funds emitted; the bank issued 41 percent of its loans at the instruction of the parliament and only 6 percent at its own initiative. In the first 10 months of this year the government's direct "contribution" to the increase in total monetary mass was at least 25 percent.

Wholesale prices could decline significantly if the TsB's credit funds were not going to cover the budget deficit. (According to the calculations of *KOMMERSANT*'s experts, the increase in wholesale prices for the period

February-October could have been by a factor of 5.8 rather than the actual 7.8). This is going to happen because the growth in the quantity of money in circulation is going to be less than the growth in the value volumes of output production.

Pushing the parliament to place legislative restriction on the government's financial appetite is one of the report's basic tasks. Above all, the bank proposes introducing in the last quarter of this year and in 1993 limitations on the increase in the monetary mass and the total domestic state debt. Paying attention to the fact that the government's financial demands at the end of this financial year and next could mount (everyone has known for a long time that the draft federal budget for 1993 is full of even more holes than 1992), the TsB is insisting on restricting average monthly rates of growth in the total monetary mass to 19 percent, that is, the level of the average monthly rates for those nine months of 1992.

In order to pull the financial knot even tighter around Yegor Gaydar's waist (in a rule-of-law state they don't hang people for debts but they don't feed them too well either), the TsB is proposing that the government itself integrate itself more closely into market relations.

The bank is insisting that budgetary borrowing be formulated as a transfer to it of a package of state securities with a fixed repayment term. The interest rate must be below the TsB's rate of discount.

These bank securities can always be sold on the open market. The firms that buy them can use them, for example, to pay budgetary taxes on the nominal value, receiving the legal 80-percent annual rate. This prospect naturally does not overjoy the government: in collecting taxes it risks running into rentier firms that are going to pay their taxes not out of actual deductions from profit but wholly out of interest on state bonds. If the government does not moderate its pretensions, *KOMMERSANT*'s experts may be forced to comment on a situation in which the basic function of the State Tax Inspectorate becomes passive monitoring of the process of "self-taxation" by the Ministry of Finance.

Having "taken over" functions in the market regulation of the level of budgetary expenditures, the bank did not stop here. Understanding full well that in implementing structural and investment policy the government is helpless (suffice it enough to recall just one program of the Ministry of Economics in which all in all the fuel and energy, agrarian-industrial, and military-industrial complexes were cited as priorities for its structural policy), the bank decided, without going beyond the framework of its constitutional authorities, to "lead the parade" in this sphere as well.

This part of the report develops Gerashchenko's idea about the necessity of stimulating investment and production at the expense of a softer approach to the extension of loans to industry.

Credit will get cheaper if this idea is carried out. The Central Bank is proposing lowering substantially the rate

of reserve deductions for commercial banks that invest funds in the development of production and to apply to them differentiated rates for refinancing.

For enterprises that are going to be spending hard currency on the purchase of equipment, the possibility is considered of introducing reducing coefficients for the ruble's hard currency rate of exchange.

KOMMERSANT's experts feel that of all the documents prepared on the eve of the Congress of People's deputies correcting the course of economic reform, the Central Bank's program message to the parliament is the most radically and professionally prepared. It is notable that the TSB's program also stands out on the general background for the fact that it cannot be labeled oppositionist, party, or unconstitutional. It was drawn up, let us remind you, not on its own initiative but on the instruction of Khasbulatov, and this lends it a certain additional weight. The government does not by any means have to be removed in order to carry it out, nor must ministerial portfolios be shared with its authors.

By the way, according to effective legislation (and especially taking into account the constitutional amendments that are going to be made at the congress), the bank has no need at all of approval for its program in order to set about its implementation. Evidently in the language of the apparatus what has happened is not called "submitting a draft program to parliament" but "transmitting material from Aleksandr Andreevich to Aleksandr Petrovich."

The rejoinder of Aleksandr Khandruyev, the program's author (and, let us point out, the utterly like-minded Gerashchenko), at the 18 November press conference takes on special meaning. Khandruyev stated that even if the bank chairman were to join the government, the bank would retain the right to disobey and carry out an independent monetary policy.

#### Supreme Economic Council Chairman on Need for Social Protection

93440367A Moscow NEZAVISIMAYA GAZETA  
in Russian 25 Nov 92 p 4

[Article by Vladimir Ispavnikov, chairman of the Supreme Economic Council, under the rubric "Opinion": "The Economy Needs Basic Reform—But the Population Needs Governmental Guarantees"]

[Text]

#### The Government's Economic Policy

If one were to state succinctly the starting principles of the economic policy that has been implemented since January of this year, the formulation would look like this: "rigid finance-credit policy, maximal restriction of effective personal demand, a deficit-free budget, and attainment of the main goal—a sharp decline in the growth rate of inflation." All the other factors such as the drop in production, the decline in the personal standard of living, the financial state of the enterprises, unemployment, and so on, were represented as secondary.

Such a scheme is only possible under conditions of a stable, deficit-free economy with a developed market infrastructure which offers the population a variety of goods and services. But in Russia we have a scarcity of goods, disruption of economic links, and a drop in production.

The practical results of 10 months of rigid financial policy did not permit stabilization of the situation or an end to the rise in inflation.

#### Analysis of the Socioeconomic Situation

In the first half-year it was possible, as the result of rigid measures, to restrict monetary and credit emission, to limit the state budget deficit, and to slow down inflation processes, but since the fall of 1992 a tendency for them to increase has reappeared.

A second critical problem is that the sharp rise in prices at the start of the year and the delays in mutual payments led to a worsening of the payment crisis in the national economy. At the end of the first half-year the total of unpaid enterprise indebtedness to suppliers of output and for payments to the budget was 3.0 trillion rubles (R). State indebtedness for monetary payments to the population rose.

Joint government and Central Bank credit emission operations made it possible to mitigate the cycle of mutual non-payments, which had nearly strangled state industry. By the end of the third quarter growth in non-payments had stopped. Nonetheless, they are still significant; on 1 October they were R1.9 trillion while the volume of average monthly deliveries of output was R1.6-1.7 trillion. As before, about four-fifths of the enterprises are simply unable to receive from consumers the full amount of money owed for the output delivered to them.

The situation in the social sphere is becoming more and more alarming.

There has been steady growth in the number of persons not engaged in labor activity in most regions of Russia since the start of the year. On 1 October the number of citizens looking for work who were registered by employment service organs was 921,500, of whom 376,500 (39.9 percent) had the status of unemployed. In comparison with the start of the year the figures were up 1.9 and 6 times respectively. According to data from the Russian State Committee for Statistics, about 1 million industrial employees (9 percent of the total number) were partially unemployed in August.

The solvency of the population is decreasing. In the first 9 months the growth in prices compared to December of last year was 2 times the comparable growth in wages. In September the average wage was R4,200 per capita of population. At the same time about 30 percent of the population had average per capita income of less than R2,000, and 5 percent of them had less than R1,000. Only 8.9 percent of the population had incomes of more than R5,000.

The lag of monetary income behind growth in prices and the reduction in production of many types of foodstuffs and goods led to a significant reduction in the level of

consumption. In comparison with January-September of last year the consumption of meat production declined 12 percent, milk and dairy products 18 percent, and fruit and berries one-third. The purchase of non-food goods by the population decreased sharply.

#### **Variants of Development of the Crisis**

If the whole set of factors involved in the crisis of the Russian economy continues to be ignored and nothing but the rigid finance-credit policy is followed, by the end of 1993 the drop in production may reach 53 percent (here and in what follows January 1992 is taken as the starting point). And this drop, touching production of consumer goods along with heavy industry, can scarcely lead to profound structural reorganization. The most likely thing is a continuation of the rapid decline in the standard of living (consumption of food products decreases by 2 times, while consumption of non-food goods decreases 5 times) plus unemployment, which engulfs more than half of the able-bodied population. All this threatens serious social upheavals. Moreover, the main stated goals of this policy—to minimize the budget deficit and restrain growth in prices—are scarcely feasible.

Elimination of the non-payment crisis through credit emission can hold off the economic collapse to some degree. The decrease in production volume in this case can be 41 percent for 2 years; consumption of food products may decrease by 40 percent, and consumption of industrial goods by 70 percent. Unemployment may be about 32 percent of the able-bodied population. The cost for this may be higher rates of inflation because by the end of 1993 monetary emission will probably reach R1,300 billion.

Indexing personal income will lead to snowballing growth of retail prices, which will require an increase of almost 10 times in monetary emission at the end of 1993 in comparison with December of 1992. Under these conditions indexing in practice not only cannot maintain the standard of living but, on the contrary, will spur on processes which lead to its reduction. At the same time overall production of output by the end of 1993 drops by 46 percent and significant unemployment appears.

Conversion of part of the military-industrial complex (20 percent in 1.5 years) gives results only in 1-2 years. In this variant the drop in production by the end of 1993 will be 37 percent (the smallest decrease among the five variants). Despite the increase in monetary emission by the end of 1993 there may be a decrease in the growth rate of prices for food products in connection with the less abrupt decrease in their production (in comparison with the other variants).

None of these variants ensures a possibility of overcoming the deepening economic crisis in 1992-1993. Fundamentally different measures are needed: stabilization and anti-crisis measures, and above all, comprehensive measures.

#### **The Goal of Anti-Crisis Measures Is Governmental Guarantees**

The transition to the market is not a goal in itself, but only a means to formation of a normal, "human" economy. The

government should have no other goal but ensuring in the country a level of consumption of goods, services, and social benefits that is adequate for normal human reproduction.

Starting from this, the government should give guarantees and identify the tolerance limits of decrease in the population's standard of living, at which the reform loses its sense. This relates to wages, food, housing, health, education, and so on.

The course of the reform necessitates adoption of a law on reform. The "Law on Reform" regulates the maximum acceptable social costs, guarantees of survival, and the responsibility of executive and administrative organs for following reform policy.

#### **Stabilization Measures**

Mistakes in conducting the reform were mirrored in its key areas—in privatization of state property. Statistical reports testify that just 3 months before the end of 1992 only 5 percent of the total number of state enterprises with independent balances have been privatized. In value terms the figures are even more modest. Of the balance value of all fixed and working capital of facilities owned by the state only 1.5 percent has been privatized.

Among the factors which are retarding privatization and demand revision of the existing mechanism of conducting the reform we will single out: the uncontrolled nature of the course of privatization using privatization vouchers and, as a result, in addition to the considerable costs of this campaign the lack of stimuli to increase productivity and improve working conditions; the defenselessness of employees in the budget sphere and the unemployed population.

But the main reason is that, in such complex economic conditions, enterprise collectives are afraid of losing centralized support and the controlling shares of stock; they are afraid that the property will be split up among false investors who in practice have no reason to pay dividends.

The answer may be to return to the starting point, as was envisioned in the Law "On Privatization of State and Municipal Enterprises in the Russian Federation," specifically to the paid mechanism of privatization (maybe even payment under somewhat privileged conditions) but with social guarantees for the entire population.

"Privileged conditions" here means redemption of state property, including land, at prices frozen on the 1 January 1991 level, which can be accomplished either through the undistributed (net) profit remaining with the enterprise or using privatization vouchers. In addition, enterprise expenditures to redeem the property can be partially reimbursed by income received from freezing growth of the wages fund for a minimal time. Redemption of property by enterprise collectives is also possible through mortgage financing (a part of the property being redeemed is used as security).

Furthermore, it is necessary to simplify the procedure for turning over state property to the point which it is a fully monitored process.

As for the privatization vouchers being distributed to the population, they can be used mainly to redeem enterprise fixed and working capital, the land assigned to them, plots of land for farmers, individual housing construction, and gardens, and for compensation payments to the population for the rise in inflation permitted during the reform.

In the middle term (figured as the next few years), we believe special attention should be focused on two key aspects: the planned procedure for divorcing enterprise finances from the state budget, and a qualitative expansion of the credit market as an alternative to state financing.

It is obvious that simply stopping state financing of enterprises today is not feasible because many sectors are working at a loss and because there are no private credit markets. Such an action is conceivable only in combination with implementation of a new finance and credit mechanism.

We can talk of predetermined state guarantees of a certain level of wages for enterprise employees by sectors. For example, in the first year 80 percent of the 1991 wages' fund, with a correction for inflation, should be guaranteed; then over the course of the next few years it can be reduced to zero. This variant of the "divorce" will enable enterprises to survive the transitional period and reorient themselves to profitable production, while the economy as a whole will be able to avoid a production crash and massive unemployment.

At the same time it is necessary very quickly to create new sources of market credit, which will demand a radical banking reform. Its essential features are stopping the flow of centralized credit to enterprises through the present commercial banks and turning the sum liberated over to the savings banks to restore the personal savings that were devalued in 1991. The savings banks must be privatized immediately, and the partially restored savings should become the main source of production credit.

It is also wise from the very beginning to identify the real source of financing of the state budget and future guarantees of the wages fund according to the new financial mechanism. This can be rental payments for energy media and timber, which today are financed by everyone in the concealed form of reduced prices.

The measures presented above, although tactical, are middle-term and will require about three years; but there are also urgent, "burning" problems whose solutions require "firefighting" measures.

Above all there are anti-inflation measures, without which it is impossible even to begin the above-described proceeding to "divorce" state and enterprise finances. We are speaking of establishing a special kind of consensual-contractual control over prices, in particular for raw materials, a special income policy, and even possibly monetary reform.

In this connection there is no avoiding, among other things, a cycle of regular negotiations between the government and the main commodity producers of different sectors and forms of ownership, trade unions, labor collective councils, and so on, and at the end of each phase of these negotiations concrete cartel-type agreements are reached concerning prices for the basic exchange products—grain, petroleum, and metal—and also concerning rates and wages.

Another ultra-urgent priority is housing.

The VES [Higher Economic Council] has developed a plan and concrete proposals to solve the housing problem. The most important elements of our program are the following:

- (1) implementation of non-budget sources of financing for housing construction;
- (2) creation of state, non-market structures that stimulate the social orientation of housing reproduction;
- (3) introduction of a fundamentally new system of paying for housing resources which blocks excessive growth in payment for housing and municipal services.

One of the possible sources for financing housing construction is the indebtedness of foreign states to the former USSR. In our view, a system of fairly rigid state regulation of prices for all material-technical output for agriculture should be introduced in our price policies.

On the level of tax policy, enterprises which invest significant capital in the sphere of processing and storing agricultural output must be given tax advantages, to the point of completely liberating the part of profit directed to these ends from any tax and completely abolishing the value-added tax in relation to material-technical output for agriculture.

Shortcomings in the existing tax system are also aggravating the crisis. Above all there is its inability to ensure full collection of taxes, which leads to a reduction in budget income.

In the specific conditions of the transitional period, only simple, stable, neutral, and just taxes can stand up to inflation and the drop in production. The tax system should have just two goals: to replenish the budget and to stimulate socially necessary production.

The principal way out of the crisis is effective state power. There is a belief that in a period of crisis and transition power can be based on dictatorship of the bureaucratic apparatus, the army, and the punitive organs. Dictatorship is outwardly a simple and convenient variant; it is not necessary to spend much time and effort reaching agreement and searching together with various social groups for acceptable solutions. But for the prospects of establishing market relations it is a malignant tumor because the only and most effective form of existence of a civilized market is democracy.

Strong state power in the form of democracy can take place among us even in a period of crisis.

**Problems of Current Tax Policy Explored**

934A0367B Moscow *IZVESTIYA* in Russian 28 Nov 92  
Morning Edition p 2

[Article by Irina Demchenko: "The State Today Is Dividing Not Goods, but Money"]

[Text] The overall average rate of taxation in Russia is, according to official figures, about 53 percent of gross national product. In fact, taking into account benefits (including the complete release of sovkhozes from taxes) it fluctuates at the level of 48-49 percent. In other words, the Russian State at the start collects taxes from all subjects of economic activity in an amount commensurate with half of gross national product, and then by means of credit, subsidies, and supplements redistributes these means in the national economy on a centralized basis. The state fiscal distribution system continues to be the main regulator of the Russian economy. Only now this is for some reason called a "transition to the market."

Current tax policy in Russia is extreme and is linked with the ideology of a deficit-free budget, stabilization of finances, and consolidation of the national currency as the sole means of payment. These goals, which were not achieved in the first phase of the reforms, continue to be the foundation of the government's economic strategy, which means that the tactic of budget and monetary restrictions with corrections for benefits which the industrial lobby is able to win continues in force.

On the other hand, the heavy tax burden has an extremely negative impact on economic activism, above all in the spheres of production and investment. This is understandable: it is much easier to collect taxes from industrial enterprises than, for example, from trade and middleman enterprises, especially those who operate on a cash basis. The total amount of taxes which some industrial enterprises are obligated to pay reaches 90-100 and even 115 percent of their income.

Enterprises today pay tax on profit (32 percent) with indexing for the level of inflation, a tax on income from shares in other enterprises, a value-added tax (the notorious 28 percent), fees, a tax on wage amounts greater than four times the minimum wage in Russia (above 3,600 rubles [R] per employee in 1992), a property tax, a land tax and other rent payments, a natural-resource use tax, local taxes (up to one percent of the annual wages fund), customs and tariffs for export-import activity, a tax on income in foreign currency, and on top of everything else, deductions to non-budget funds.

Managers state that about the same amounts of all kinds of deductions to budgets and non-budget funds go into the wages of each employee. The assessment of the well-known economist Yanosh Kornai is fully applicable to our present fiscal system: "It is a terrible hodgepodge of the paternalistic redistribution of the socialist economy, the financial impotence of a poor third-world country, and the refined, progressive tax system of a Scandinavian universal welfare state."

Public consciousness, naturally, is not psychologically ready and cannot tolerate this situation. Especially when, despite many statements by politicians about the need to reduce state expenditures, they continue to rise steadily. The managers of all the state and joint-stock enterprises who agreed to provide material for this article stated openly that they are deceiving the state, and that the present tax system seems so unfair to them that even potentially law-abiding citizens enter into the deception easily and with absolute certainty that their actions are right. As a result actual state income lags considerably behind expected income. If it is possible at all today to talk about execution of the budget adopted a few months ago, this is not thanks to the fiscal system but rather to high inflation which has changed the scale of prices and the proportions of deductions.

A whole system of tax evasion techniques has been developed. Double bookkeeping plays a significant role in it, as it did in the recent past with the socialist economy. For example, A sells cars to enterprise B. Payment is made as follows: B transfers R400,000 as payment for the article while R1 million is paid for each car into a special fund of the seller organization, that is A. The special fund of enterprise A is classified as its own capital, and therefore the amount received is not shown as income in tax documents. There is a double advantage: for one, the seller pay tax on profit from a smaller amount, and for two, the buyer pays a lower tax for value added and the trade supplement.

Many managers, having received an article, prefer to delay payment. This is especially advantageous in a period of such high inflation as we have now: the money can be kept in action as working capital, and moreover after 1 January the value-added tax will be lower than it has been this year.

The tax for exceeding the wages fund is eased by giving bonuses and material assistance to each employee, as well as paying bonuses for winning vocational competition. These contests used to be held once a year, but now there is even one Moscow plant where contests for the title of best lathe operator are held every 10 days. That is the title too, "Best Lathe Operator in the First 10 Days of October."

The cleverness of those who invent these and other tricks arouse sincere delight, if we ignore the accompanying moral and economic problems. As Yuriy Milyukov, chairman of the exchange committee of the Moscow Commodity Exchange, put it recently, socialism is returning to the economy in direct proportion to the sum of irrational state decisions. The people's creative talent is inexhaustible: as soon as economic orders that contradicted common sense appeared we could expect a relapse into the dual morality that we remember under the name "Our socialist way of life."

Any normal society in principle understands that it must accept the burden of supporting children, invalids, and old people as well as organs that guarantee its security against foreign and internal enemies, plus a state apparatus that coordinates this activity. However, attempts to take away

for these purposes more than society is psychologically ready to give are doomed to fail.

This, it seems to us, is one of the main shortcomings of our present state fiscal policy: the organs of powers think that they have to set the bar a little higher because many people will not pay in any case. Incidentally, this is also a relapse in our thinking: ask for more in order to get what you need. And the response is predictable: they are clearly asking for more than they need, so there's nothing wrong if I pay less, as long as they don't catch me. This is, however, elementary dishonesty; the parliament which passes such taxes and the government which collects them seem to be giving advance approval to those who evade taxes, by "including" their deception in the "order."

Contemporary tax policy not only does not stimulate production by redistributing capital to the trade-middleman sphere and not only has an extremely negative effect on the moral state of society, but in addition it distorts the essential features of commodity-money relations, thus undermining the foundations of the very monetarism whose principles the current authorities supposedly have resolved to be guided by. The sphere of circulation of the ruble is narrowing, and even in accounts within sectors it increasingly does not fill the role of national currency alone, unaccompanied by barter.

It is characteristic, for example, that Mikhail Khesin, the manager of a single production (construction) enterprise who said that "taxes are not much of a thing in general, although they could be less," uses apartments sold at prime cost as barter currency. The volume of his construction company—the limited partnership PPSK TETs-25—is more than R100 million a month, but it receives the bulk of its profit by selling the balance—one quarter—of housing they have built at commercial prices. But this is a special case, because not everyone is building housing in Moscow—it is a stronger currency than the dollar today—and they build fast and well.

There is a whole list of proposals for either radical or cosmetic changes in tax law. They are being published and discussed quite broadly. Most specialists very correctly state that taxes should be as simple as possible in technical terms, clear to producers, effective, and should stimulate those areas of production and consumption whose development society needs at the particular moment.

It is apparent, however, that it is not society or economic actors but rather the organs of power who are primarily responsible for choosing fiscal law and who in principle are still not willing to renounce the distribution functions inherited from the party-state economy.

#### **Poll Shows Value of Vouchers Expected To Rise**

934A0367C Moscow NEZAVISIMAYA GAZETA  
in Russian 25 Nov 92 p 4

[Unattributed article: "The Population Is Saying, 'We Will Not Sell Our Vouchers Cheaply'"]

[Text] In October 1992 the Public Opinion Fund conducted a survey of 3,000 adult residents of 40 populated

points in 12 different regions of Russia. Just one question was asked: at what price are people ready to sell their vouchers? The table below shows that 56 percent agree to do this only at a price higher than face value; 4 percent are willing to sell their privatization vouchers at face value; only 3 percent (!) agreed to sell the voucher at less than face value.

Thus it can be concluded that most of the population expect the market price of the vouchers to rise. The average expected sale price of a voucher today is more than 20,000 rubles [R].

#### **At What Price Are People Willing To Sell Vouchers?**

More than R20,000	48 percent
R15,000-20,000	6 percent
R10,000-15,000	6 percent
R10,000	4 percent
R5,000-10,000	3 percent
R1,000-5,000	0 percent
Less than R1,000	0 percent
Still undecided	33 percent

Of those who have decided to sell, half want to receive more than R20,000 for their vouchers, while one-third of the people have not set a selling price.

#### **Peasant Leader Discusses Land Reform**

934A0388A Moscow MOSKOVSKAYA PRAVDA  
in Russian 11 Nov 92 pp 3-4

[Interview with Yuriy Chernichenko, chairman of the Peasants Party, by T. Pomeleva, under "Reform: Is It Serious or Not?" rubric: "Our Market Lacks the Main Commodity—Land"]

[Text] Some assert that the law on private ownership of the land will be passed within a few months, whereas others warn against being in a hurry about this. The chairman of the Peasants Party, writer Yuriy Chernichenko, was always consistent in his views on the "land question." We decided to inform the readers of our newspaper of his point of view on the current situation in the agrarian sector of the economy.

[Pomeleva] Yuriy Dmitriyevich, the campaign now under way to organize the holding of a referendum on the transfer of land to private ownership is supported by many well-known economists and different parties and political currents. But does it not seem to you that this campaign is somewhat late?

[Chernichenko] Yes, we are indeed late. The referendum should have been held in 1990, when the country was just entering the agrarian crisis. We were also late in May of this year, when the cowardice of some of the deputies preventing us from making a simple decision—to ask the people whether or not they want to own land. And why is parliament "afraid"? It is because the answer of the people will unequivocally be a vote of distrust of parliament.

Still, it is necessary to hold the referendum. There is still time, it has not been definitively lost. The moment is even favorable now, as is confirmed by the resistance of those who are afraid of the referendum. They sense that time is running out for them. And they have their excuses ready: they say that everything is already clear and written in the laws and they say that we have more important tasks today.

Do you know what I think about when I hear not that it is necessary to turn the land over to the peasant but that we "have everything"? I remember how when I was young and was studying military science, they gave us a rifle, apparently a real one. Only its barrel had been bored out and therefore you could not shoot with it. So it is with the existing "land" laws: they have a broken firing pin or bored out barrel. In short, they cannot shoot.

[Pomelova] But many of our fellow citizens are not clear about precisely how they can become landowners in the event that the law on private ownership is passed. Will they all receive an equal share? And how can one "equalize the rights" of a peasant and an urban dweller? And perhaps the land will have to be redeemed from the state?

[Chernichenko] A commission working under the guardianship of Rutskoy established a special program that provided for the issue of a certificate for land to each citizen of Russia. This program appeared even before the beginning of the epic about the vouchers but the people still know little about it.

Thus, it was proposed that each of us have the right to one certificate and receive it free. The share of the urban dweller was set, let us say, at 2 hectares, whereas the share of the peasant was 5-10 hectares. Everything beyond that minimum was for money. The issue of certificates dictates the establishment of land banks, where any one of us can pledge, sell, or buy a parcel of land.

For something improbable is now taking place: the main commodity—land—has been removed from market relations. And this is the pump to draw away inflationary money. If .2 hectare near Moscow is sold for 3 million, this means that the people will pay 15 million for 1 hectare. What prices! The sale of several parcels of land in Ramenskiy Rayon showed that with the help of some "land-development mechanism" we can dry up the sea of inflation.

[Pomelova] Yuriy Dmitriyevich, is the introduction of private ownership of the land capable of stabilizing the financial system? In other words, will it help to accomplish the task with which the economic reform began and where, in essence, it stumbled?

[Chernichenko] The flaw in our reform is primarily in the fact that in the agrarian question it emphasized not the resolution of the age-old problem of who is to be the master of the land (the solution to this is the essence of any reform) but what to do with the kolkhozes that have swallowed up the land. That is, there was a bias toward ideology.

As for the kolkhozes, Yeltsin issued two edicts back in December of last year. They can be boiled down to the following: stop thinking of the kolkhozes as consumers of the land and gradually move away from them. Do not even let this word exist. To do this, replace kolkhozes with synonyms—cooperatives or peasant farms. And what happened? Almost a year passed and we still have 17,000 kolkhozes. Let these kolkhozes disappear! One need not think about them but must resolve the main issue.

[Pomelova] Let us suppose that it is possible rather quickly to resolve the main question of reform in favor of the private owner. But will the government be able to provide real support and help the beginning farmer just as quickly?

[Chernichenko] Why should they help him? This is typical parasitic psychology that assumes that the farmer is a parasite whom the government must support and make rich. That is how the lumpen-proletariat thinks: do everything for me and I will get rich.

The farmer is an agriculturist and merchant. And he is even a merchant above all, for precisely the sale of his output is the measure of success. If our farmers do not act in both persons and turn out to be either agriculturists only or merchants only, then within about 4 years you will explain to your children what a cow is by showing them a picture and look at a pig in the zoo. And our food supply will be no better than some state in Bangladesh.

But neither must one fail to say anything at all about the state. Today, for example, our taxes stimulate the absolute curtailment of livestock breeding. Or take the so-called "assistance" to the countryside. Let us say that the peasant receives a subsidy of 3,000 rubles for the production of a tonne of milk. The delivery of that same tonne to the dairy will cost him just as much on the average, if not more. It is better for me to pour it out than to take it for processing! All of that simply makes you cry.

[Pomelova] What, in your view, might the outcome of the referendum be?

[Chernichenko] It seems to me that we have already been able to reach the consciousness of most people. There are about a million disabled persons in Moscow alone. Each of them has an acute need of .06 hectare of farmland. They have nowhere to lay their heads in the summer. But they are not giving the disabled persons any land—they do not want to. These deprived persons alone will collect a million signatures in favor of private ownership.

[Pomelova] Yuriy Dmitriyevich, you are so certain about this. But among those same disabled persons are many older people with quite conservative views. Will all of them so unconditionally line up "on one side of the barricade"? For they want to distribute the land, to sell it. That is frightening.

[Chernichenko] You know, such fears remind me of the fears of a madam who runs a house of ill repute and is concerned about the modesty of the girls in her establishment. After all, for a long time now, for 10 years already, our land has been sold off and plundered. It is gone in a flash. In a minimum of 10 years, there will not be any left!

For example, some "merchants" begin to look at me in an avaricious manner as soon as they find out that I represent the Peasants Party: maybe they can grab something? For this reason, talk about the future selling off of the land is pure demagoguery. The land was taken from the people 70 years ago and since then nothing has changed other than the cloaks of the nomenclatura that has controlled it.

It also dictated to the peasant what was needed and how. And it held the land itself, just as Kashchey Bessmertnyy kept the needle that was his death. And the nomenclatura is holding it now, guarding it sacredly.

Not long ago, in a remote village where the tall grass grows, I saw how the people relate to the ownership of land. There no one was really interested in whether or not there will be credits or whether or not they will be given assistance. Everyone was asking about just one thing: Is this serious or not? I had with me the edict from Yeltsin, the one on land that, to be sure, involved only industrial enterprises. But I did not say anything to them, I just began to read it to them aloud. I looked and saw that they all had quieted down, listening as though I was reading the manifest from Alexander II. And then came rejoicing and joy. Probably I seemed to them to be a messenger with good news.

**Nizhniy Novgorod Oblast Peasants Organize**  
934A0388B Moscow SELSKAYA ZHIZN  
in Russian 3 Dec 92 p 1

[Article by Yu. Shatnov: "The Party Will Unite the Peasants"]

[Text] The constituent assembly of the oblast organization of the Agrarian Party of Russia was held in Nizhniy Novgorod. Delegates came from Bogorodskiy, Balakhninskiy, Semenovskiy, Perevozskiy, and a number of other rayons of the oblast. The experience of the citizens of Bogorodsk, about which P. Kondratyev, chairman of the board of the rayon organization of the Agrarian Party, had spoken, showed that the idea of the establishment of a party in defense of the interests of the peasantry has met with understanding in the rural areas.

The participants in the meeting unanimously voted for the establishment of an oblast organization of the Agrarian Party of Russia in Nizhniy Novgorod and for its incorporation into the Russian organization. M. Krylov, director of "Zarechnyy" Sovkhoz in Gorodetskiy Rayon, was elected chairman of the board.

**Signatures Gathered for Land Reform Referendum**  
Commentary on Campaign

934A0389A LESNAYA GAZETA in Russian  
17 Nov 92 p 1

[Article by Valeriy Begishev under "Point of View" rubric: "Slippery Ground"]

[Text] The collection of signatures in support of a referendum on private ownership of land is being concluded. As was revealed, the necessary 1 million signatures were gathered ahead of time and it may be that by 18 November, when it will be necessary to present the lists of signatures, an

additional 200,000 to 300,000 will have been collected—in the event of possible objections. For this reason, it must be assumed that they will be celebrating in the camp of the democrats initiating the referendum.

I myself voted in favor and sought the support of my neighbors as well. Once one starts something, it is necessary to finish it in a worthy manner. But I would not be in a hurry to rejoice, for I fear that the organizers of the campaign did not calculate very well the possible consequences of their first victory.

First of all, the overwhelming majority of the signatures came from large centers, especially Moscow and St. Petersburg. The opponents of the referendum will doubtless try to play and already are playing on this. And although from a legal point of view the voice of an urban dweller is just as important as that of a rural inhabitant, they will try to get the latter to believe that he is to be a victim of the urban mafia, foreign capital, and God knows what else.

But we will hope that the peasant with common sense will understand this. Then the question arises of the nature of the problem.

The arguments of the proponents of the free buying and selling of land are well known and I fully agree with them in principle. Of course only an absolute owner can utilize his parcel with maximum yield and at the same time prudently. Of course it will be very good if the most diligent farmers can gradually enlarge their holdings and if those who fail or lack the ability are not simply forced to throw them to the whims of fate but can receive at least some compensation for their labor. And naturally it is necessary to free those wishing to work on the land from excessive arbitrariness (to free them totally is impossible under Russian conditions) of greedy bureaucrats and the Soviet nobility.

But private farms are being established for production, not so that items in government reports can be checked off and not so that the charming Tamara Maksimova can carry out her televised farm fairs for agitation purposes. And here things are not so good. I cite the latest (for the first 9 months of the year) report from the State Committee for Statistics of the federation: "Individual farms are not yet able to have a noticeable influence on the stabilization of the consumer market. Their harvest is utilized primarily for on-farm consumption.... Animal husbandry has not been greatly developed." In other words, it is noncommodity production and you and I get practically no benefit from it. But still, there are not so few farms—almost 150,000. And you think: Have rural productive forces matured to a point where they can take on this load? Especially considering that the state is hardly in a position to help them much. Will not the farmland become something like today's voucher: you obtain, sell, and forget it without any special trouble?

But I readily admit that my doubts are strained and the freedom to dispose of the land includes economic tools that will finally make it possible to perform the task that

seemed impossible for an elephant, according to an old Soviet anecdote, to raise up agriculture. But will the voters believe this?

Here is the result of a poll carried out at the end of the summer by the respected service of Prof. Boris Grishin. Half of all Russians fear acute social conflicts in the event of the extensive privatization of the land and moreover are convinced of their inevitability. And half of them think that this matter should not be forced to the detriment of the material equality of peasants. And about one-fourth are undecided.

It is possible, of course, to recommend the accused "sovokost" and have them vote in a referendum. And if they reject it, that will be a knockdown of the entire reform. This is what I fear.

#### Over 1,800,000 Signatures

934A0389B Moscow *LESNAYA GAZETA* in Russian  
19 Nov 92 p 1

[Unattributed article]

[Text] More than 1,800,000 Russians expressed themselves in favor of holding a referendum on the private ownership of the land, stated Igor Yakovenko, cochairman of the Republican Party of the Russian Federation, at a press conference yesterday.

He specified that the initiative group in St. Petersburg collected 1,098,000 signatures and the Moscow group 780,000.

#### Land Ownership, Purchase, Sale Discussed

##### Land Sale Approved in Draft Law

934A0392A Moscow *KOMMERSANT DAILY* in Russian  
20 Nov 92 p 2

[Article by Dmitriy Kamin: "Parliament Approved the Sale of Land: New Draft Law on Land"]

[Text] Yesterday the Soviet of Nationalities supported a draft law "On the Right of Citizens of the Russian Federation to Receive in Ownership and to Sell Parcels of Land for Private Subsidiary Plots, Horticulture, and Individual Housing Construction." After this draft law had been supported the day before by the Soviet of the Republic, it is considered to have been passed in the first reading.

The draft law on the sale of land reflects a certain compromise between different points of view on the procedure for the sale of land: citizens are permitted to sell parcels at the market price but within the limits of the norms specified by Article 36 of the Russian Land Code. The remaining part of the landholding may be sold no earlier than after three years. The authors of the draft law think that such a procedure will make it possible to avoid land speculation.

Despite its compromise nature, deputies subjected the draft law under consideration to severe criticism. In the review in the Soviet of the Republic, Deputy Vladimir Isakov characterized it as "fictitious and declarative." Valentin Agafonov, chairman of the Committee for the

Social Development of the Countryside, Agrarian Questions, and Production, did not object to this but stressed the "public" importance of the adoption of this law that clearly affirms, in his opinion, the legislative existence of private land ownership in Russia. There were opponents of this draft law in the Soviet of Nationalities as well. Here traditional fears were stated with respect to land speculation and the squandering of national wealth with the introduction of the free sale of land. As a result of the discussion and introduction of amendments, the text of the law was shortened by half (to 25 lines).

Experts at *KOMMERSANT DAILY* think that the adoption of this draft law by both houses resulted from the desire of most of the deputies to show the voters that they are capable of finding radical solutions to questions of land reform on the eve of the Congress of People's Deputies.

##### Land Ownership Approved in Draft Law

934A0392B Moscow *KOMMERSANT DAILY*  
in Russian 21 Nov 92 p 2

[Article by Dmitriy Kamin: "Parliament Affirms Private Ownership: Second Reading of the Law on Land"]

[Text] At the joint session of the houses of the Supreme Soviet on 20 November, the deputies passed two laws in the second reading, which affirm the rights of citizens to the private ownership and sale of land parcels.

The law "On Amending Article 7 of the Law of the RSFSR 'On Land Reform,'" as *KOMMERSANT DAILY* has already written in the 19 November issue, retains the right of physical persons to own parcels of land prior to legal reregistration without establishing a time limit for reregistration. For legal persons, the law limits this time to 1 January 1993.

The adopted law is supposed to satisfy the interests of more than 100 million persons having subsidiary plots, gardens, and parcels for individual construction, freeing them of worry about the possible loss of the right to own land, and it is supposed to increase the power of representative authority in the eyes of voters.

The concept of the law "On the Right of Citizens of Russia to Receive in Private Ownership and to Sell Land Parcels for Private Subsidiary Plots, Horticulture, and Individual Housing Construction" proposes major changes with respect to the turnover of the land. This required parliament to interpret Article 12 of the Constitution, in which restrictions are set forth on the sale of land. The draft decree put forward by Ruslan Khasbulatov specified that the constitution regulates the sale of agricultural lands only without including those categories of land parcels whose procedures of sale are defined by the new law. Today such an interpretation could suit the opponents as well as the supporters of the introduction of private ownership of the land. At the decision of parliament, the question of the interpretation of the constitution has been postponed for a few days. *KOMMERSANT DAILY* will write about its review by parliamentarians in the issue for 27 November.

**Changes to Article 7 in Land Reform Law**  
93440392C Moscow KOMMERSANT DAILY  
in Russian 21 Nov 92 p 2

[Law "On the Introduction of Changes to Article 7 of the Law of the Russian Federation 'On Land Reform'"]

[Text] Citizens retain the previously established right to use parcels of land in different forms of ownership prior to legal registration without establishing a time limit for legal registration.

Legal persons retain this right until 1 January 1993.

The law "On the Right of Citizens of the Russian Federation to Receive in Private Ownership and to Sell Land Parcels for Private Subsidiary Plots, Horticulture, and Individual Housing Construction":

The right to sell parcels of land is established within the limits of the norms foreseen by the Land Code at a market price and independent of the time of the acquisition of ownership rights to the parcel of land to be sold.

The part of the land parcel that exceeds the norm in all cases remains in lifetime inheritable possession or can be redeemed for ownership from the local soviet at the market price.

**Moscow Poll on Land Ownership**  
93440392D Moscow MOSKOVSKAYA PRAVDA  
in Russian 18 Nov 92 p 1

[Article: "Moscow Polls"]

[Text] What do you think: should land in a rural location be private (with the right of sale) or state-owned (with it being made available for lifetime and inheritable possession)?

	Moscow		Russia
	October 1992	June 1992	June 1992
Private	66.1	62.0	52.5
State	19.7	21.2	33.2
Undecided	14.2	16.8	14.2

In the cities, should the land be private or state-owned (municipal)?

	Moscow		Russia
	October 1992	June 1992	June 1992
Private	26.1	18.6	25.0
State (municipal)	45.5	60.7	53.2
Undecided	28.4	20.7	21.8

**Call for Continuation of Collective Forms**

93440392E Moscow NEZAVISIMAYA GAZETA  
in Russian 27 Nov 92 p 4

[Article by Moisey Gelman under "Retort" rubric: "Effect of the 'Unseen Hand' or Why Private Ownership of the Land Is Needed"]

[Text] Adam Smith in his book "Inquiry Into the Nature and Causes of the Wealth of Nations" wrote that although each individual person, in becoming rich, has in mind only his own interest, "in this case, as in many others, he is guided by an unseen hand toward a goal that was not part of his interests. In pursuing his own objectives, he often more effectively serves the interests of the society than when he consciously strives to do this."

The effect of the "unseen hand," or feedback, creates competition of commodity producers. It predetermines the self-regulation of the economy. A natural selection of market subjects took place in an evolutionary process. Under such conditions, the freedom of circulation of the means of production and land through their sale meant that the people achieving the maximum yield from them became their long-term owners. Therefore the freedom for the transfer of the means of production and land to the most diligent masters is one of the important factors in the self-regulation of the economy.

The natural selection of land users under the free buying and selling of the land will require a certain amount of time. In this period, one cannot rule out the possibility of speculation with land and its predatory exploitation. And these fears of many people's deputies of Russia who voted against private ownership of the land are understandable. But one cannot justify their attempts to oppose objective laws of nature and social development. So that the "laws of the jungle" do not prevail in Russia before a civilized market environment arises. Vice President Aleksandr Rutskoy proposed the utilization of an effective mechanism for the free sale of land through a commercial Land Bank. (Now that parliament has passed a law permitting the purchase and sale of farmsteads, this proposal is becoming more urgent.) In my view, it is possible to obtain additional protection against the customs of the "jungle" in this period by selling land only on credit and under the condition of its payback through the sale of agricultural output (the use of the land and harvests are easily controlled) and also by prohibiting (even to the point of deprivation of the right of ownership) the removal of agricultural lands from the crop rotation.

In the process of reforms, it will also be necessary to preserve collective forms of management as much as possible. Without this it is senseless to apply progressive industrial technologies in agriculture on a large scale. Whatever the president of Russia may want, individual farmers will not be able to feed the country. An example of this is the United States, where only a few percent of produced output in value terms is attributable to farmers who do not use hired labor.

**Peasant Farm Status, Progress Reviewed; Party Established**

**New Peasant Farm Size, Distribution**

934A0333A Moscow *VESTNIK STATISTIKI*  
in Russian No 10, Oct 92 p 38

[Article: "(Private) Peasant Farms (as of 1 August 1992)": similar material was published in FBIS-USR-92-147, dated 15 November 1992, pp 26-27]

[Text] In the last few months the process of establishment of (private) peasant farms in the Russian Federation has slowed down somewhat. Whereas in February-April the number of peasant farms increased by 17,000 every month, in May, by 10,000, in June, by 7,000, and in July,

by 6,000. Cases of farmers' giving up plots allocated to them earlier have been noted. This is caused basically by the worsening of their financial situation and the low material and technical provision.

By 1 August 1992 the total number of peasant farms was 133,000 with an area of 5.4 million hectares of land (on the average, 41 hectares per farm). Furthermore, in northern regions there are 64 private deer breeding farms on an area of 13.2 million hectares of land, 2 farms for the breeding of Yakut horses (59,000 hectares), and 7 hunting farms (200,000 hectares).

A total of 255,000 hectares of land (on the average, 43 hectares per farm) were allocated to farms established in July.

	1992			
	as of 1 January	as of 1 April	as of 1 July	as of 1 August
Number of registered farms, thous	49.0	92.5	127.0	132.9
Area of land granted to them, mil. ha	2.1	3.9	5.2	5.4
Average size of a land plot, ha	42	42	41	41

Last month the biggest increase in (private) peasant farms took place in Krasnodar (of 900) and Stavropol krais (of 500), Volgograd (of 300), Leningrad, Perm, and Tyumen oblasts, and the Checheno-Ingushetia Republic (from 200 to 300). In July, 10 to 20 private farms were established in Ivanovo, Lipetsk, Ulyanovsk, and Amur oblasts and in the republics of Karelia, Mari-El, Mordovia, Tatarstan, and Khakasia.

In July relatively big farms were established in Smolensk, Tver, Nizhegorod, Voronezh, Astrakhan, Volgograd, Saratov, and Novosibirsk oblasts (on the average, from 60 to 100 hectares per farm), as well as in Altay Kray (160 hectares), Orenburg Oblast (260 hectares), and Kalmykia (440 hectares). Up to 20 hectares per farm were granted to farmers in Novgorod, Bryansk, and Ulyanovsk oblasts, Chuvashia, Tatarstan, and Bashkortostan.

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**Peasant Farm Data Discussed**

934A0333B Moscow *VESTNIK STATISTIKI*  
in Russian No 10, Oct 92 pp 39-41

[Article by S. Yagubov, candidate for degree of doctor at the Moscow Institute of Economics and Statistics: "Private Farms and Statistics"]

[Text] We now connect the development of agricultural production primarily with the solution of the ownership problem. According to our deep conviction, it is precisely private ownership of land that will help to overcome the stagnation and in a number of sectors also the slump in production. All other factors, both of an economic and a technological order, play an attendant role.

With all the diverse points of view of property forms—state (sovkhozes) and collective (kolkhozes) property, the contract, leasing, associations, and so forth—we give preference to private farms with private land ownership. Just

awakening in the peasant the feeling of being the master and owner with the right of bequeathal of land increases his initiative and enterprise and forces him to find more efficient solutions even in the most complex situations.

Unfortunately, today we know very little about the efficiency of private farms. Although, if to be objective, what efficiency can be discussed if we consider the extreme conditions under which this property form is born? It is hardly necessary to search for some objective reasons here. Our scientists' assertion that the formation of private farms is hampered primarily by the lack of a material base is hardly well-founded. One may think that during the period of implementation of Stolypin's reform at the beginning of this century, when Russia became one of the leading world grain exporters, the peasant had all the necessary equipment and fertilizers. What the present private peasant really needs, first of all, are firm guarantees for social protection against the arbitrariness of the local authorities provided for by special legislation and, of course, assistance on the part of the state.

What do private farms represent today? Credit must be given to the former Union State Committee for Statistics, which was the first to prepare the program and to organize a survey of (private) peasant farms as of the beginning of the current year. We will dwell in brief on the basic results of this survey in Azerbaijan.

In the republic 74 farms, or 78 percent of their total number, were surveyed. The number of people employed on the surveyed farms was 382, or, on the average, five people on every farm. The average size of land plots was 27 hectares with a fluctuation from 5 to 200 hectares.<sup>1</sup>

The lack of confidence with which peasants decide on the purchase of land for ownership is very characteristic. Only 7 percent of the future farmers took this step—84 percent took land for a long-term lease (more than 3 years).

Grain crops occupy 66 percent in the crop structure, cotton, 10 percent, vegetables, 6 percent, and potatoes, tobacco, and other crops, 8 percent. Farms have 372 head of cattle, 4,870 sheep, and 3,610 head of poultry.

It would be premature to give an evaluation of the production and financial activity of peasant farms, since, in fact, all of them were organized in 1991 and during the first half of the current year. At the same time, the conducted survey makes it possible to draw some conclusions.

First. Farmers are forced to sell a significant part of the produced products (59 percent) at obviously underestimated prices, 9 percent, to kolkhozes and sovkhozes, also at prices dictated by them, and only 30 percent, on the market and to cooperatives. As a result, the income from the sale of products covers only one-fourth of the expenditures of private farms, budgetary allocations constitute 15 percent, and State Bank credits and personal savings make up the remaining funds.

The low proportion of the sale of products on the market is partially connected with the lack of transport, bad roads, and a considerable distance from the rayon center (43 percent of the farms are 30 to 50 km away from it).

Second. The supply of private farms with equipment, the provision with which remains at an extremely low level, is a complex problem. On the 74 surveyed farms at the beginning of the year there were 15 tractors, 23 trucks, 7 plows, 3 seeders, 1 hay mower, and 3 pickup balers. It should also be added to this that old equipment, which requires frequent repairs and a big expenditure of spare parts, often is sold to farmers; not to mention the prices of the means of production, fuel, and building materials, which have soared incredibly in the last few years.

Third. Farmers' social and housing-municipal living conditions remain unsatisfactory. Only one-third of them are provided with water supply, 27 percent, with electricity, and 3 percent, with telephones and only 40 percent of the farms are located near hard-surface roads.

It is obvious that the conducted survey could not claim an exhaustive description of the state of (private) peasant farms. However, its significance lies in the fact that it will serve as the basis, on which statistical reporting on this new property form will be established.

We will examine at greater length the problems that have arisen during an analysis of the results of the conducted survey.

We will set forth our proposals on the content of the forthcoming reporting in the same order in which the survey program was formulated.

1. With what is land leasing in general, all the more so, short-term leasing, connected? Why is the percent of the farmers who take land for ownership so low? There are many reasons for this—the lack of confidence in the stability of farming itself, insufficiency of professional knowledge, unacceptability of the offered plot of land from the standpoint of the quality of land and location, a weak material and technical base, high rates of interest

on bank credit, and so forth. Answers to these—in our opinion, most fundamental—questions will help to uncover the major factors hindering the development of private farms.

2. Apparently, the program should explain the differences in the concepts "for ownership" and "for possession."

3. An analysis of the farmers' social and age structure plays an important role in forecasting the development of private farms. Are they present kolkhoz and sovkhoz workers, or former agricultural workers who have returned from cities, or representatives of other national economic sectors, who have decided to test themselves in the field of farming? In the end, professionalism plays by no means the last role in efficient production management. The outflow of young people from rural areas, which has intensified perceptibly during recent decades, has led to their significant aging and, consequently, to a reduction in the share of a more productive force.

4. The problem of the lack of livestock and poultry on 70 percent of the private farms requires a detailed analysis. For example, only 7 percent of the farms keep cattle, 5 percent, sheep and goats, and 3 percent, poultry.

Of course, such one-sided specialization is undesirable and can be the consequence of a number of reasons: unprofitability of the production of livestock products, their labor intensiveness, the lack of a fodder base and livestock barns, high prices of building materials, the lack of pedigree livestock, difficulties with the sale of products, especially perishable (milk) and not very transportable (eggs), and so forth.

5. The reasons for the low productivity of land and animal husbandry remain unclear. First of all, this concerns grain crops, raw cotton, melon crops, and dairy and beef cattle husbandry. It would seem that yield and productivity factors are known, but which ones are basic with respect to private farms?

6. The section "Sale of Products" (paragraphs 8-12) requires a more precise detailing. It seems that an independent sample survey is needed here. In the republic farmers sell about 60 percent of the produced grain to the state. The percent is quite high. However, what incentives are used here—are these coercive measures, or levers of an economic order? In other Commonwealth states, where the percent of the sale to the state is much lower, this problem is very urgent.

What are the mutual relations in connection with the sale of products between farmers and kolkhozes and sovkhozes that have allocated land to them?

7. Another element in the survey program is also characteristic. Apparently, the questionnaire (even with its anonymity) should not include the question of farmers' income. From a purely psychological standpoint this question can have a negative effect on the objectivity of answers and on other questions. The program's authors can hardly be reproached for this—they simply counted on civilized statistics and on the experience in the conduct of such surveys abroad, when the respondent is certain of the confidentiality of his answers.

Thus, the conducted survey of (private) peasant farms gave sufficient food for thought and for concrete conclusions. The basic conclusion is that, despite all objective and subjective obstacles, the process of formation and development of peasant farms is expanding and intensifying. Today the following is the chief thing: support for it with appropriate legislative acts and, of course, the maximum possible assistance on the part of the state through more preferential credits, provision with material and technical resources, also on favorable terms, and higher purchase prices ensuring loss-free production.

More specific remarks on the program can also be made. In the end, however, the essence does not lie in this. It is necessary to change the very direction of the future survey or reporting, placing the main emphasis on economic problems of formation and activity of private farms.

At the present stage it is important to know precisely what prevents the establishment of such farms and why the proportion of those who take land for ownership is low. After all, it is clear to everyone that leasing, even long-term, does not stimulate the lessee to make the maximum possible investment in land and in its fundamental and long-term improvement.

The efficiency of private farms and increase in production are closely connected with prices of products of state procurement organizations, consumer cooperatives, kolkhozes, and sovkhozes and with market prices. Here through prices it is possible to uncover the sales channels to which farmers give preference, of course, if they are not bound by appropriate obligations with the state, kolkhozes, and sovkhozes. This matter is directly connected with the problem of improvement in price formation.

The further development of private farms directly depends on effective assistance to them on the part of the state. Today farmers have an acute need for this assistance.

And last. The program of the conducted survey is obviously cumbersome. Ultimately, it is hardly necessary to include indices of all products in the program. In our opinion, it is sufficient to take only the basic ones, which are characteristic of a specific farm. Other groups of indices should also be reinterpreted critically.

With regard to statistical reporting it should contain a minimum of indices. Reporting on plant growing should have an annual frequency and on animal husbandry, semiannual—at the maximum, quarterly. All economic indices are given once, after 1 year.<sup>2</sup> Irrespective of this, reporting should be of a sampling nature. Sampling should be based on the sizes of farms in terms of the cultivated land. The obligatory nature of preparation of reporting by private farms should be affirmed by the law on statistics, the adoption of which was obviously delayed.

#### Footnotes

1. As of 1 July of this year the number of (private) peasant farms increased to 230. Their average size was up to 44 hectares.
2. The presently prepared form No 6-kkh "Information on the Results of Work of a (Private) Peasant Farm"

(appendix 3 to the letter of the CIS Committee for Statistics dated 5 May 1992) contains an extremely limited range of indices and, of course, should not exclude the conduct of sample surveys in the Commonwealth states.

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#### Yekaterinburg Congress

934A0333C Moscow LESNAYA GAZETA in Russian  
24 Oct 92 p 1

[Article by Yu. Mayorov, correspondent of LESNAYA GAZETA, Yekaterinburg: "Congress of the Destitute"]

[Text] An oblast congress of workers, peasants, and the working intelligentsia is being held in Yekaterinburg. It was organized by the oblast soviet of workers, the strike committee of the agro-industrial complex, Agrosoyuz, the Association of Industrial Enterprises, the strike committee of workers in public education, and some sectorial trade unions.

The goal of the congress is to unify efforts in order to develop a real program for survival under the present conditions of the government's "unpopular" policy.

Councils of labor collectives are especially bellicose, because their direct appeals to the president and to Russia's Supreme Soviet give no results.

The congress plans to elect a coordinating council, which will unify the actions of all the organizations participating in it, as well as of deputies to the All-Russian Congress, which is to be held in Nizhniy Novgorod.

#### Nizhniy Novgorod Organizational Meeting

934A0333D Moscow SELSKAYA ZHIZN in Russian  
13 Nov 92 p 1

[Article by Yu. Shtatnov, correspondent of SELSKAYA ZHIZN, Nizhniy Novgorod: "The Beginning Was Marked"]

[Text] A meeting of the action group for the establishment of the organizing committee of the future Agrarian Party was held in Nizhniy Novgorod. Members of the organizing group voted unanimously for the formation of such a committee of the Agrarian Party. M. Krylov, director of the Zarechnyy Sovkhoz in Gorodetskiy Rayon, was elected its chairman.

#### Agrarian Party Goals, Tasks

934A0333E Moscow KOMSOMOLSKAYA PRAVDA in Russian 19 Nov 92 p 2

[Article by P. Orlov, correspondent of KOMSOMOLSKAYA PRAVDA, Nizhniy Novgorod: "Rural Areas Establish a Party"]

[Text] Representatives of 50 oblasts, krays, and republics announced their participation in the work of the founding congress of the Agrarian Party of Russia, which will be held in Nizhniy Novgorod at the end of November.

"The peasantry, which is deprived of rights, is forced to establish its own sociopolitical organization in order to

protect the fundamental interests of workers of the agro-industrial complex and the rural intelligentsia," Mikhail Yefifanovich Krylov, director of the Zarechnyy Sovkhoz in Gorodetskiy Rayon, chairman of the organizing committee, told a correspondent of SOVETSKAYA ROSSIYA.

"The following are among the party's goals and tasks: assistance for the development of all forms of management in rural areas, strengthening of their material and technical base, and establishment of equal and mutually advantageous relations between agriculture and industry."

The Agrarian Party of Russia supports a parliamentary system, a legal democratic state, and the abolition of social inequality.

#### Agrarian Party Agenda

934A0333F Moscow SELSKAYA ZHIZN in Russian  
20 Nov 92 p 2

[Article: "A Party Unites Peasants"]

[Text] The Agrarian Party of Russia intends to head the peasants' struggle—both political and economic. The initiative of the organizing committee for its establishment has already found support in more than one-half of the oblasts, krais, and autonomous republics, where work on the formation of primary organizations of the Agrarian Party of Russia has already been placed on a broad footing.

"Action groups operate in an especially active manner in the villages and rural areas of Kirov, Vladimir, and Yaroslavl oblasts," A. Mikhaylov, chairman of the organizing committee, reported. "For example, in Kalmykia the primary cells of the Agrarian Party of Russia have already been established in seven rayons."

The holding of rayon party conferences is to be completed in November and of oblast, kray, and republican ones, before the middle of December. The founding congress of the Agrarian Party of Russia is scheduled for the end of December-beginning of January.

At the request of the organizing committee we mention its address: 107802, GSP-B, the city of Moscow, 3 Orlikov Lane; telephones: 208-58-20, 204-41-04, and 204-46-91.

#### Goskomstat Food Price Data, November 92

934A0373A Moscow RABOCHAYA TRIBUNA  
in Russian 1 Dec 92 p 1

[Article by Tatyana Balugina, Economist, State Committee for Statistics for Russia: "The State Committee for Statistics Regrets to Report: Fats, Proteins and Carbohydrates Are Becoming More and More Expensive"]

[Text] As specialists confirm, the number of Russians who are suffering from depression and other neuroses is steadily growing. Unfortunately, this is exactly how a person reacts to the burdens of life. But figures are not subject to emotions. Thus they, better than any person, can explain the reasons why we are feeling bad.

Well, the movement of prices for food products for the four weeks of November in retail trade and on municipal markets for the 132 Russian cities surveyed looks like this.

Figures are given as a percent of the preceding date:

	3 Nov	10 Nov	17 Nov	24 Nov
Total	106.3	105.6	104.9	105.2
—in retail trade	105.7	104.3	105.7	105.1
—on municipal markets	107.8	109.3	103.0	105.3

From 17 to 24 November prices for basic commodity groups changed as follows (in percent).

**All food products.** Total—105.2; in retail trade—105.1; on municipal markets—105.3.

**Meat and meat products.** Total—104.5; in retail trade—105.3; on municipal markets—103.7.

**Milk products and cheeses.** Total—104.8; in retail trade—104.7; on municipal markets—105.5.

**Eggs.** Total—101.4; retail trade—101.0; on municipal markets—107.0

**flour.** Total—104.8; in retail trade—104.8.

**Potatoes and vegetables.** Total—106.9; in retail trade—106.3; on municipal markets—107.3.

During this period, meat, salted herring, canned fish, curds, wheat bread from flour of the first and second grades, individual types of hulled and pasta products, and fruit and vegetable products became substantially more expensive.

As of the end of November, prices on municipal markets, as a rule, exceeded retail prices by 30 percent for beef and vegetable oil, by 1.5 times for beets, by more than twofold for milk and curds, and by threefold for sour cream.

An analysis of conditions on the market for food products showed that a full assortment (70 items) did not appear in a single one of the cities surveyed. The maximum collection of goods surveyed was in Moscow—66 items and in St. Petersburg and Kurgan—57 items; the minimum was in Surgut, Miass, and Orehovo-Zuyevo—17 to 20 items.

#### Opinion Polls Point to Mood of 'Fragile Stability'

934A0373B Moscow ROSSIYSKIYE VESTI in Russian  
26 Nov 92 p 2

[Article by Yuriy Muromskiy: "Poll: Sociologists Determine Fragile Stability in Citizens' Mood"]

[Text] A recent poll of 1,000 workers in Tomsk enterprises, conducted by the Institute of Comprehensive Social Research [IKSI], showed that 47 percent of the respondents answered "yes" to the question, "Do you support the transition of our country to a market economy?" Twenty-nine percent answered "no." Furthermore, the proportion of workers up to 30 years of age who gave a positive answer was somewhat higher—53 percent, and the share of those

unequivocally opposed was much less—only 20 percent. Of those polled, 65.2 percent allowed for the possibility of unemployment in our country. Only 13.5 percent were against this, and 12.5 percent were undecided.

According to data of the Vox Populi service, of 484 people who were polled at the end of the summer, only 6 percent thought that there would be a "popular rebellion." One-third of the population of the country fully or basically trusted the Russian government. According to a statement of the Independent Institute of the Sociology of Parliamentarianism, 32 percent of Moscow residents polled in October thought that their position on basic questions affecting the life of Russia coincides with the position of the President. It would seem that everything is proceeding normally, but there is other "information to reflect on."

According to information from IKSI, only 4 percent of the Tomsk workers polled are convinced that if an enterprise goes bankrupt, the government should not subsidize it in order to avoid closing it. Only 17 percent thought that a reduction in the work force at their enterprises and institutions would be useful and necessary. Barely more than a half of those polled call violation of economic relationships the main source of unemployment; the remainder blame the economic crisis for unemployment. Forty-four percent place the responsibility for combatting unemployment on the government.

Six percent consider lowering the level of unemployment through such means as unpaid leave as acceptable; 21 percent consider reducing the work week as acceptable. If unemployment increases and assumes a "landslide" character, three-fourths thought that this would lead to "stormy mass protests." Such spheres of activity as racketeering, hiring oneself out for illegal activity, and crime attract 2 to 3 percent of the workers. In the event that their own situation worsens because of unemployment, 7 percent of working young people allow for the possibility of earning their livelihood through illegal activity.

The greatest anxiety was caused in October by the economic crisis (53 percent), the increase in crime (52 percent) and the decline in the standard of living (51 percent). Only one in a hundred of the Tomsk workers thinks that he or she is very well off, and only one of seven thinks that his or her situation is "completely tolerable." Fifty-four percent feared that privatization would cause the number of unemployed to rise; 14 percent reckoned that the number of unemployed would initially increase, but that later the number of jobless would decline. In this connection, only one of fifteen thought that it would be very simple for him to find work.

In a word, the data of the sociological polls do not give grounds for complacency. The social-political situation which has unfolded in our country can be called a condition of fragile stability that can break down at any moment. According to data of the independent service of social problems "Yuventa," 48 percent of those polled thought that it was admissible to personally take part in such "collective acts of protest" as meetings, strikes, hunger strikes, mass disturbances, and armed struggle.

In the opinion of the sociologists, in implementing economic reform, it is necessary to take into account that citizens are accustomed to social protection in the sphere of production and employment.

#### Government Developing Program to Address Sugar Scarcity

93440351A Moscow ROSSIYSKIYE VESTI in Russian  
28 Nov 92 p 3

[Article by Ye. Peresonin, under the rubric "Problem"; place and date not given: "No Sweet Life Yet: Russia Is Short of Sugar. How Can the Shortage Be Eliminated?"]

[Text] Many people probably remember that one of the foods that disappeared from store shelves during the hullabaloo of demand in the late 1980s and early 1990s was sugar. With the advent of market relations, our sugar adventures are not over. Prices for it have begun to rise very very steeply. Right now, when you purchase a kilo bag of granulated sugar, it's somehow hard to believe that not that long ago it cost about a ruble.

Nowadays you can't always buy sugar even for big money. The situation has become especially tight recently. Are Russians going to be drinking their tea with sugar or without?

"This is a hard question with no simple answer," says I. Moyisev, deputy chairman of the Food and Processing Industry Committee under the Russian Agriculture Ministry. "The problem is that Russia can provide only a third of its own sugar out of its own production. The rest we get from the CIS countries and on the world market. So I can't construct any forecasts."

Yes, the time has come when not only politicians must change their course. Russia's agrarian sector and the sugar industry are also being forced to change theirs today. And quite radically.

The problem is that most of the area planted in sugar beets and most of the sugar-producing capacities in the former USSR were concentrated in Ukraine. Here are a few interesting facts: in recent years Ukrainian kolkhozes and sovkhozes have cultivated about 42-45 million tonnes of the 80-82 million tonnes of sugar beets overall for the former USSR. There are 192 sugar plants in Ukraine of the 321 scattered throughout the USSR. And if we take an indicator like per capita sugar production, then in Ukraine it is more than 100 kgs.

What is Russia rich in? So far, 23 regions are involved in sugar beet production in the RF [Russian Federation]. For the most part this has been in the southern zone. In the last five years the average annual purchase of beets was 27.3 million tonnes, whereas sugar production was 2.6 million tonnes. Given the necessity, nearly 8 million tonnes. It turns out that after the breakup of the USSR Russia firmly occupied the position of the world's largest sugar importer. Moreover, its capacities for processing the raw material are quite weak. There are all of 95 sugar plants in the RF, and

the majority of them are working with old, antediluvian equipment; to this very day several enterprises are still cooking up sugar on a prerevolutionary basis. Unfortunately, the calamity does not end here. Those who know even a little about agriculture know that the sugar beet is a rather capricious and labor-intensive crop. Cultivating it requires quite a lot of care not only in the process of vegetation but also during harvesting. For a long time scientists and specialists struggled to achieve maximum mechanization of all technological operations, and in certain respects they succeeded, although, to be quite frank, far from all.

In the middle of the last decade, many types of agricultural equipment for sugar beet production were put into series production. Now, however, most of the enterprises producing that equipment are also beyond Russia's borders, and no one can guarantee the supply of the necessary equipment for Russians. In particular, beet-harvesting combines are produced only in Ternopol, and without these, beet farmers are powerless. Moreover, a significant part of the machine-building base putting out equipment for sugar plants is also located outside Russia.

Indeed, at times sugar has been bitter for Russians. Especially when you have acquired it for fantastic sums. How else could it be, though, if those who control the sugar, knowing Russians' difficulties, begin dictating crushing terms on the food market? In that kind of situation a solution is not easily found.

But we must look for one. Right now in the RF, at the government's instruction, a state program is being drawn up to increase sugar production. What do they plan to do to ease Russia's dependence on the sugar shortage? They are attempting to cut back on the import of this product as much as possible and simultaneously increase sugar beet yield and expand its area of cultivation, even in nontraditional rayons. In particular, this crop will be cultivated in the Chuvash Republic and in Rostov, Orenburg, and several other oblasts. This will take a certain amount of time, unfortunately, and next year beet production may be cut back even more due to a decrease in sown area in oblasts of the central Chernozem zone that are obviously overplanted with this crop.

Further it is proposed to achieve a sharp cutback in losses in the storage and processing of sugar beets. By 1996 it is planned to increase sugar plants' capacities for processing sugar beets by 120,000 tonnes a day, or a factor of almost 2. In addition, they are working on purchasing abroad 12 turnkey sugar plants and specific types of advanced technological equipment for reconstructing currently operating enterprises. There are also plans to organize the production of sugar from starch-rich materials, as well as to develop sugar substitutes. All over the world, sugar substitutes synthesized from natural amino acids, which are 200 times sweeter than sugar, have become widespread.

Of course, implementing everything planned in the draft state program will take substantial funds as well as great persistence and organization on the part of everyone involved somehow or another in its implementation, but

there is no other way yet. Russia must, as quickly as possible, break out of the situation in which it has to import two out of every three kilos of its sugar.

### Deputy Minister for Social Protection on State Charitable Work

934A0351B Moscow ROSSIYSKAYA GAZETA  
in Russian 28 Nov 92 p 1-2

[Interview with A. Klimkina, Russian deputy minister for social protection, by ROSSIYSKAYA GAZETA correspondent N. Zhukovskaya, under the rubric "Social Protection"; place and date not given: "Charity Is a State Concern"]

[Text] Recently the parliament and the president have signed several documents approving legislative measures for the social protection of the needy, invalids, war veterans, and pensioners. Suffice it to mention the laws on minimum pensions and the minimum wage. Recently the Russian government passed documents "On Basic Directions for Social Policy for 1992-1993" and "On the Social Protection of the Non-Able-Bodied Population of the Russian Federation."

Despite the measures undertaken, however, the most difficult position under the transition to the market remains that of pensioners.

**Our correspondent Nadezhda Zhukovskaya interviews the Russian deputy minister for social protection, Alevtina Klimkina.**

[ROSSIYSKAYA GAZETA] Alevtina Aleksandrovna, many critical letters have come in to our offices concerning the territorial social protection subdivisions. Here, for example, is a resident of Solnechpogorsk, V. Ionova, complaining about the terrible attitude toward pensioners among some of the workers in the department who don't keep office hours or answer their phone calls, but pensions, as a rule, have been reduced.

[Klimkina] We are getting these kinds of signals as well. You know how hard it is to redo something that has been in the process of formation for years as an official presence. Of course, for all our commitment, something can and must be done better. This is not in justification, but I still want to say that our social security departments have found themselves in extremely difficult conditions for two years already. It is objectively impossible to deal with the mounting volume of work. Judge for yourself: since January 1992 we have had to recalculate several times about 35 million pension cases in Russia. This was just the pensions; then came the new additional payments—in February, March, and April. And what does compensation mean? We have to draw up a special document for each pensioner.

We have not been able to cope with this yet, and in April a new minimum pension was established of 800 rubles [R]. And then R900. And finally, one more new pension was established as of 1 November. The law itself was passed only on 21 October, and we had only a limited number of

days to implement it. Was it really possible to recalculate those 35 million cases in nine days?

[ROSSIYSKAYA GAZETA] That's good that pensions are constantly going up.

[Klimkina] We would be happy about it, too, but how are we going to keep up with this rise? It seems to me that this is a problem for our legislators. For them the most important thing is passing the law. But they need to think, after all, about the mechanism for implementing it. It is no accident therefore that many laws of the Russian Federation have not gone into effect. I feel that legislators must carefully calculate the terms and possibilities for implementing laws. You can criticize us all you like for sluggishness (and recently these kinds of reproaches have been heard even from members of the Social Policy Commission), but given these kinds of conditions, it's impossible to keep up with the changes. It has to be clear to any unbiased person that, for instance, you cannot implement a law affecting millions of people in 10 days, even if our services were to work 24 hours a day. Of course, people don't care about all this. That, as they say, is our problem.

[ROSSIYSKAYA GAZETA] You're mistaken, Alevtina Aleksandrovna. We get sympathetic letters, too. Muscovite I. Nikitin writes: "Apparently you are unaware and, alas, unconcerned about the kind of overload the local (rayon) subdivisions of the Ministry of Social Protection have been working under since you say nothing about it in your newspaper. After all, helping the poor, invalids, and old people begins with helping the rayon social security departments, or rather, determining the level and quality of their work."

[Klimkina] Please thank your reader for his understanding. We are often reproached for doing so much by hand. But is this our fault alone? After all, it wasn't yesterday that social provision became the most secondary of spheres. The government thought about it last of all, from congress to congress. Today a great deal is changing for the better; for instance, of the 83 territorial organizations only 12 have not switched to the automated system. This year we are supposed to acquire another 400 automated stations and next year there will be even more of them.

[ROSSIYSKAYA GAZETA] How long will it take for people to start receiving their pension based on the new law that went into effect as of 1 November? Won't it turn out the way it did for Muscovite V. Avdeyeva, who this year has gone to her Kirov Department 11 times to straighten out the amount of her pension? And she's a war participant, a second-group invalid with serious illness.

[Klimkina] Obviously we were unable to recalculate the pensions under the new law for everyone in November. However, to make life a little easier for pensioners, we gave instructions to our organs and came to an agreement with postal workers to pay out two and a half times more pension without waiting for changes in payment documents. We simply had no other solution. All the rest of the recalculation will be done in December.

Naturally, our people are tired, they are working to the maximum, but so far our system has had no strikes. For the most part everyone understands that pensioners have nothing to live on. Our problem arises elsewhere. Many of our staff are transferring to work in subdivisions of the Pension Fund because the pay is a little better there and the work a little less. Because of this many of our structures in the locales have been decimated and the situation is simply catastrophic.

[ROSSIYSKAYA GAZETA] Readers ask us what the Pension Fund is and what connections it has to the organs of social protection.

[Klimkina] It was created in December 1990 as the finance-credit institution assigned to collect and accumulate pension insurance dues and finance our outlays for pensions. We regarded this positively, feeling that this would prevent pensioners' money from being spent for other purposes. But now the Pension Fund has mustered an enormous apparatus. In Moscow alone it employs more than 250 people, whereas we have all of 48 associates working in our Main Pension Administration.

[ROSSIYSKAYA GAZETA] N. Yurov and I. Kharkin, who are war invalids and labor veterans from Usman, heard that they are due an increase in their second pension for old age amounting to R450, but they could not get confirmation from their local social protection organs. What is going on here?

[Klimkina] Our war invalids have been placed in better conditions than all other categories of pensioners. By law they have the right to receive two pensions: for war-related crippling, according to the group established; and for old age given labor seniority. Now a decision has been made to give this category an additional 50 percent of the minimum pension. Calculated on the basis of the new rates, this is going to be R1125, not R450, as the front veterans write.

#### Average Industrial Salary Tops 10,000 Rubles 934A03694 Moscow TRUD in Russian 1 Dec 92 p 1

[Article by Vitaliy Golobachev, TRUD political correspondent: "Prices Are Advancing All the Same: The Average Salary in Industry Has Exceeded 10,000"]

[Text] Against the background of the big drop in production, the increasing shortage of many goods and products and, on the other hand, the increase in their prices, the continuing growth in wages is far from having one meaning in the different branches. According to information just received from Russia's State Committee for Statistics, the average salary in the national economy reached 8,853 rubles in October and 10,373 in industry. Its largest average amount was in transport—13,050—and also in the credit and insurance area (commercial banks, etc.)—almost 17,000 rubles a month. As always, the salaries of workers in public education (5,000 rubles) and health care, physical training and social security workers (5,706) are lagging considerably behind.

At times, the amounts paid depend little on work results and on the quality and amount of items produced, since the main thing is now something else—to keep up with the price increases by any means. However, there are no winners in this race. During the present stage, salaries are again falling behind—they increased by 20 percent during the month but prices grew by 23 percent. Since October of last year, prices have increased 20-fold according to official State Committee for Statistics data; wages—only 12-fold. Where will this race lead if one considers that the inflationary spiral is now displaying itself with new force? One must treat the sick economy more energetically.

### **Yeltsin Suggests Creation of Federal Pension Service**

*934A0369B Moscow IZVESTIYA in Russian 1 Dec 92 Morning Edition p 3*

[Article by Tatyana Khudyakova, IZVESTIYA correspondent: "The Establishment of a Single Pension Service Is Still Undecided: The President Has Sent a Request to the Supreme Soviet For an Examination of This Proposal"]

**[Text] Rumors have recently appeared that President Boris Yeltsin has signed the Edict on Establishing a Federal Pension Service. This would mean the virtual resubordination of the Russian Federation's Pension Fund to the government.**

We turned to the Ministry for the Population's Social Protection for an explanation. The ministry has repeatedly come forward with a similar proposal. Deputy Minister Alevtyana Klimkina reported that the edict has not been signed—the president has sent a letter to the Supreme Soviet requesting an examination of this proposal.

The Ministry for the Population's Social Protection, which is in favor of establishing a single service, cites the following arguments. In violation of the constitutional principle of separation of powers, the Russian Federation's Supreme Soviet took upon itself the carrying out of operational management of the Pension Fund's activity. The Supreme Soviet not only approves the fund's statute and its budget and appoints the chairman and members of the board but also sets the insurance rates and is conducting experiments on resubordinating local social protection branches to Pension Fund branches.

Today, approximately a trillion rubles, whose use is in no way controlled by the government, are concentrated in the fund's accounts. Although the fees received to pay pensions and benefits are called insurance payments, they are essentially a tax because enterprises automatically and obligatorily deduct a set percentage from the wage fund. Consequently, the government should make arrangements for these assets and a tax inspectorate should monitor the receipt and distribution of this money.

Thus, the essence of the debate, which broke out between the Ministry for the Population's Social Protection and the Supreme Soviet, boils down to the fact that the existence of two parallel systems insuring the interests of retirees should be reduced to one, namely, a single federal pension

service which would manage the entire complex of questions—from the granting of pensions to the collection of assets and payments.

The agencies for the population's social protection have lived this entire year under extreme conditions—endless amendments to the pension law have forced workers to perform 200 million recomputations in all. The mechanism for bringing salaries up to date to compute pensions was changed seven times; the fundamental approaches to determining the minimum pension amount were re-examined five times.

The new minimum pension of 2,250 rubles, which the Supreme Soviet set on 1 November, permitted the new amounts to be paid effectively only in accordance with a contract with postal and telecommunications workers—pensions automatically increased 2.5-fold for everyone due to a payment. New data will be incorporated gradually in pension matters.

In return, additional recomputations using the "back-dated method" must be increased because of the change in the coefficient for updating the 1991 salaries of pensioners—from 2.9 to 4.3. The difference, which was not received, will be counted from May.

We, of course, are not talking only about the fact that the load on social protection agency workers in the local areas increased 20-fold during the year. The pensioners themselves are completely confused—no one understands how and on what basis their pensions are set. This is giving birth to massive dissatisfaction which is primarily expressed against those same "social security workers."

The conflict situation is interfering with the normal work cooperation between the Ministry for the Population's Social Protection and the Supreme Soviet's Commission for Social Policy although reality forces one to end the uncertainty—primarily in the interests of those for whom these structures were established. That is why the Ministry of Justice, Ministry of Finance and Ministry of Labor support the proposal to resubordinate the Pension Fund, establish a single service and develop a new concept of pension legislation.

Something else about the single helping of rumors, which have introduced discord into the minds of working pensioners. Supposedly, they will release all of them from work on 1 December because of the shortage of jobs for those who are younger. Gennadiy Melikyan, minister of labor, has officially stated that a final decision has still not been made. The government is examining various versions—reducing the percentage of the pension being paid, decreasing the amount of the supplementary payment in light of the coming income indexing in 1993, and a number of other proposals pursuing the same goal. It is still not known which version will be given preference.

**Pension Official on Solvency of Fund**934A0376A Moscow *TRUD* in Russian 3 Dec 92 p 4

[Interview with Yu. S. Ivanin, by *TRUD* correspondent N. Grineva; place and date not given: "There's No Money": They Can't Answer That Way at the Russian Pension Fund. Why?"]

[Text] **Pension provision can boldly be called one of the hot spots of our social life. Old-age pensioners are having a harder time of it every day. Recently a decision was passed to raise the minimum old-age pension to 2250 rubles [R]. Is there any guarantee that pensioners won't hear the sentence "There's no money" on pension day? Yu. S. Ivanin, first deputy chairman of administration of the Russian Pension Fund, responds to these and other questions of our correspondent, N. Grineva.**

[*TRUD*] Let us begin, if we can, with a "calling card." What was the purpose in creating the fund? Which of its functions can be termed fundamental?

[Ivanin] If you recall the 1956 pension law, it was quite progressive for its time, observing a certain proportion between salaries and pensions. Time passed, though, and by 1990 it was already hopelessly out of date, both economically and morally. The proposals for changing it that had come up over the years slowly made their way up to the Ministry of Finance, where they struck a barrier of words—"There's no money"—and disappeared into the bowels of oblivion. Nonetheless, money was found for the projects of the era so sadly known now. The creation of the Pension Fund became an attempt to get away from the outdated principle of pension provision.

The fund was created as an independent finance and credit system. Its funds are strictly targeted and are not part of the state budget. The fund's basic tasks are to finance expenditures for state pensions. I want to emphasize that this is for everyone, regardless of former place of employment or residence. The chief sources of revenue for the Pension Fund's budget are set by law: insurance payments transferred to the fund by employers and working citizens, and funds from the republic budget.

Collecting funds is one aspect of its work. We still need to create reserves in order to transfer funds to territories of the country that find themselves in a special position and that by force of objective reasons are eligible for subsidies. Thus the interests of the specific person, the pensioner, have sort of accumulated in the Pension Fund and are helping overcome the barrier of alienation between regions. For example, Tatarstan did not sign the Federative Treaty. However, the enterprises situated on its territory pay punctually into our fund. We have managed to find a coincidence of interests—both shared and specific to the republic.

[*TRUD*] But haven't you duplicated the social protection organs we all know?

[Ivanin] The Pension Fund neither replaces nor duplicates them. It is a kind of a bank that provides for the accumulation of funds and their expanded reproduction. Social protection organs are supposed to carry out the functions

of setting and paying pensions. In many regions, though, the paying out of pensions is systematically delayed by two to three months, and sometimes more. In that time the pension itself is devalued.

Financial control has essentially been eliminated in the Ministry for Social Protection's system. But the Pension Fund cannot perform control functions over the outlay of funds appropriated to the social protection organs, since this is impeded by the ministry and its local structures. It is a prerequisite for the misappropriation of the people's funds.

We feel it is essential to have a unified federal pension provision system.

[*TRUD*] What do you think of the recently approved social protection program for the non-able-bodied population?

[Ivanin] I believe it does have certain useful points, actually. As a whole, though, it is still a stillborn child. Upon more detailed acquaintance with the program you get the impression of a declarative designation of what we had before in publications and normative documents. Adjusted for the present day. It is short-changed and, most important, has no financing mechanism. The Social Protection Ministry has no economic or financial levers to carry it out. How could it possibly get them if it is hostage to the remainder principle?

[*TRUD*] We sometimes hear the opinion that in the "interests of the matter" you need to be given executive power. As if to say that otherwise everything would get entirely out of hand. Might this truly be in the interests of the matter?

[Ivanin] Possibly, but then the question arises: Whose? Not the pensioner's interests, that's for sure. I would say only that the pension business has been under executive authority for tens of years. You can ask pensioners about the rest. I would do better to tell you a little bit about one interesting experiment at working out a model for the future federal service going on in Moscow Oblast.

We took all pension services into our system. We reached an agreement with the administration of every town and rayon, and the transfer proceeded in organized fashion. To replace the rayon social security departments we created a pension department subordinate to the Pension Fund department for Moscow Oblast.

[*TRUD*] But how do you bring about your collaboration with banking structures?

[Ivanin] In various ways. For instance, at one time the relatively well-known Matyukhin covered up his agreement about implementing the Pension Fund budget. Right now we have had to face the question about the system of our pension (social) banks. A Republic Social Commercial Bank has been created that in the near future will have branches in the Moscow region as well. The amount earned from banking operations will go for social protection. Do not forget: today the pension system has to work in

completely different circumstances than social security department organs used to—the development of the market economy.

[TRUD] I'm not hoping for a concrete answer, but I'll ask anyway: How much money does the fund have?

[Ivanin] Enough so that more than 35 million pensioners see in us a reliable guarantee. We are trying to work and earn.

The fund's income this year is R1,254 billion. The balance after the payment of pensions and subsidies is a little more than R258 billion. True, you hear rumors of much greater figures. But they still have to be given to someone. I agree: funds are needed for insured medicine, and payments to Northerners, and other purposes. But why do we have to give them up under other than civilized conditions—as a loan?

In February we face pension indexation. This means we are going to have a doubled requirement for money in hand at once. We need more than R180 billion a month. Actually, when we were starting out and had nothing to pay people with, we had to take out loans; no one was interested; there was no one to help us or sympathize with us. But today I can say with assurance that the Russian Pension Fund is going to become a guarantee of the tranquility of their old age for millions of pensioners and, simultaneously, a guarantee of the implementation of pension reform.

### Declining Birthrate Linked to Erosion of Living Standards

934A0356A Moscow ROSSIYSKAYA GAZETA  
in Russian 28 Nov 92 p 3

[Article by Boris Bruy and Igor Korolev, Russian State Committee for Statistics: "Let's Think for Ourselves and Decide for Ourselves"]

[Text] Statistics indicate that the birth rate in Russia has fallen to its lowest level during the entire postwar period. The number of births has been steadily declining since 1988.

What are the reasons for such an unpleasant situation? Here is one of them: a small contingent of women, daughters of those who were born during the war and first postwar years, is now entering the 20-29-year age group. Yet more than two-thirds of the children born annually come from the women of this age. Today the number of women ages 20-29 is 1.7 million, or 14 percent, fewer than in 1987.

However, the drop in the birth rate would not be so drastic if the situation were not further aggravated by the crisis in society.

The decline in the living standard and uncertainty about the future directly affect the birth rate. Whereas in 1987 there were an average of 68 newborns per 1,000 women ages 15 to 49, in 1991 there were 50. The main reason for these losses is the decline in the frequency of births. Especially among women ages 25 to 34—they are the ones

who largely determine the situation with respect to the birth rate. Already having one or, less frequently, two children, these women are now trying not to have any more. Last year the number of second and third births among mothers ages 25-34 fell to 389,000, or just over half the 1987 level.

The rapid rise in the cost of living has resulted in a situation in which many families cannot afford to support even one child. In Moscow this March the minimum cost of the assortment of items that are necessary for a baby up to three months of age reached 10,000 rubles; in May it was R14,000, and by early September it had already reached R17,000. This is equivalent to nearly 19 minimum wages. Yet the childbirth allowance was R2,700, or three minimum wages. The only thing that could be bought with it was a carriage and a part-wool blanket (for R2,275 and R475, respectively).

Even with prices that have risen manyfold, many goods for newborns remain scarce. In the Moscow "Detskiy Mir" [Children's World] store there are no carriages, baby bathtubs, or infant soap. Russian-made disposable diapers have disappeared from the stores, and imported ones are sold at the unaffordable price of R3,500 for 64. The cost of baby food is high.

All these are significant factors holding down the birth rate.

And here are the results: this year the situation with respect to population reproduction has been deteriorating each month. In January through October alone, there were nearly 178,000 fewer babies born (12 percent) than for the comparable period last year. It is expected that for the year as a whole the number will drop by at least 225,000 (13 percent).

The overall birth rate is dropping to an unprecedentedly low level. There will be fewer than 11 newborns per thousand Russians. In Moscow, St. Petersburg and Moscow, Tula, Leningrad and Tver oblasts, this index will not exceed 8.9.

For many years, natural increase was the main factor in population growth. However, since November 1991 a natural decline has been recorded for Russia as a whole. For January through October of this year, the number of deaths exceeded the number of births by 121,000 (9 percent).

This sort of situation can be found at present in most of the country's territories, where two-thirds of its inhabitants live. In Tula Oblast the number of deaths is 1.9 times the number of births; in Tver and Pskov, it is 1.8 times the number of births. In Moscow and Yaroslavl, Moscow, Ivanovo and Novgorod Oblasts, it is 1.6 times.

As of the beginning of 1992, for the first time in the nearly 50-year period since the end of the war, the number of inhabitants of Russia declined, and it will be 100,000 lower than at the beginning of 1992.

Before our eyes, the demographic situation is turning from unfavorable to extreme. Measures on a state scale are

required to stabilize demographic development. The economic crisis is hitting families with children above all, and they are the ones who need help. And that is not just large families. Most Russian families have one or two children. The support that the state provides them is minimal. Yet the future of population reproduction in Russia directly depends on the decision as to whether or not to have children that is made in precisely these families—the "cells of society," as they were formerly called.

### Alcoholism Among Internal Affairs Staffers Examined

934A0356B Moscow *IZVESTIYA* in Russian 25 Nov 92 Morning Edition p 8

[Article by Igor Andreyev, *IZVESTIYA* staff: "Why the Militia Man Drinks"]

[Text] In the opinion of Militia Col Vyacheslav Zvonikov, candidate of medical sciences, who recently headed the Russian MVD's [Ministry of Internal Affairs] now-abolished Research and Practical Center of Psychophysiology and Labor Psychology, drunkenness in the internal affairs agencies is only the visible, albeit concealed, tip of the iceberg whose name is the distressed psychophysiological condition of many, many militia employees.

Vyacheslav Zvonikov put on the uniform of a colonel in the internal service in early 1990, giving up the uniform of specialist in aerospace medicine. He had cared for military pilots, including aviation's elite, test pilots. He wrote a doctor's dissertation based on an analysis of the psychophysiological condition of pilots who fought in Afghanistan. "I saw," he says, "what young and absolutely healthy boys who had flown there for just a year turned into."

Since moving over to the MVD system, Zvonikov has seen what is happening to the "Afghans" peers whose lot it has fallen to serve in the internal troops. Only 24 percent of the officers and 40 percent of the warrant officers and soldiers who have served less than six months in Russia's "hot" spots adapt normally to the conditions there. Five percent of the contingent requires hospitalization. The rest require various forms of psychological and treatment and medication. In 1991 the number of those who were discharged from the internal forces for mental disorders increased by 63 percent, while the number who were placed under so-called dynamic observation by a psychiatrist rose by 12 percent. Nearly 11 percent of the servicemen in the internal troops who commit unlawful actions are alcoholics. Thirty-five percent of the suicides or attempted suicides among officers are committed in a state of intoxication, while 40 percent among soldiers who have reenlisted after their mandatory service and 3 percent among soldiers who are fulfilling their mandatory service are committed in such a state.

As a specialist, V. Zvonikov believes that to this day there is no more reliable and accessible tranquilizer and antistress agent than alcohol. It is resorted to regularly not just by men serving in the "hot" spots, but also by militia men in the "well-off" regions of Russia (the article titled "Will Our Militia Sober Up" in *IZVESTIYA* No. 247, 1992,

dealt with this problem). The prerequisites for psychophysiological discomfort and drunkenness are already present in the feelings of the personnel who responded this spring to the questions on an anonymous questionnaire distributed in the central staff of the Russian MVD. Let me stress that this was in the ministry itself, where 92 percent of the employees have families, 95 are city dwellers, and 87 percent have separate apartments. That is, we are speaking of people who have not been cheated on many social benefits. And so, 47 percent of those questioned noted that relations in the collective had become more tense than usual, and 37 percent felt a sense of depression.

I do not think that a sociological survey in any other department would paint a substantially different picture. Today, alas, there is plenty of depression, uncertainty and tension in human relations everywhere. The problem is that all these are being increasingly felt by those who are called on to protect us citizens against both outright criminals and those who are pushed into lawbreaking by troubles and psychological breakdowns that are common to everyone.

There is a curious statistic that continues, as it were, the survey data: personnel turnover in the internal affairs agencies. After analyzing it, V. Zvonikov reached the shocking conclusion: every year, as many employees quit the internal affairs agencies as new employees join them. And if one considers that in most cases the notations "unfitness for duty," "dissatisfaction with occupation," and "infractions" reflect psychological breakdowns, abuses of power and office, "quiet" drunkenness, or the drunkenness-caused unlawful use of weapons (70 percent of the cases of unwarranted firing of weapons), it turns out that the militia has become non-stop mechanism for turning normal people into neurotics or occupationally unreliable employees.

A typical path to the degradation of a militia employee today is as follows. The first disappointment hits the graduate of an educational institution when he arrives on the job. The gap between what he was taught and reality is too great. The investigator is inundated with papers from numerous different cases, and he feels constant pressure from all sides. The line officer constantly sees actions in which he takes part fall short of the required toughness, and he soon realizes that the reasons that he is not being allowed to go all-out are by no means tactical. Often the reasons are perfectly selfish considerations, which senior colleagues are not ashamed to show. The pay is low, one doesn't have an apartment, and the family needs money. One has to make a little extra, since the demand for militia protection is high today. There is nothing bad about making something on the side. But for the militia employee, an alliance with commercial structures is, at best, fraught with the potential for regular (often free!) drinking. And at worst, with the potential for betrayal of the interests of the service.

No matter what the internal affairs agency employee is driven to, there is a moment in his official career in which he must be supported, if not by increased pay and an apartment, then unfailingly with psychological help.

Although the Center for Psychophysiology and Labor Psychology has attempted with some success to set up such a system or service, there is virtually no such thing in the MVD.

Vyacheslav Zvonikov, who knocked on the most important doors in the ministry, often heard: the country is falling apart, and there you are with your psychophysiology! Troubling drunkards in uniform and, especially, alcoholics, are ruthlessly gotten rid of. Everything is in order with the statistics. One might be glad of this—there is less and less risk that citizens will personally experience the boldness of drunken guardians of order. But what is frightening is something else—it is as though an illness that has stricken society has gone unnoticed by the superiors of thousands upon thousands of armed men endowed with authority whose mental health is being dangerously undermined by our common troubles and indifference to people's fates in the department itself.

### Ministry of Security Officials on Fight Against Mafia

934A0380A Moscow VEK in Russian  
No 15, 27 Nov-4 Dec 92 p 10

[Interview with Major General A. Gurov and Major General A. Chernenko by O. Tekhmenev; place and date not given: "Mafia Does Not Recognize Boundaries and That Is Its Strength"]

[Text] The Committee for State Security died at age 73, outliving its monument on Lubyanka by almost four months. The building, however, which inspired terror in the hearts of some and national pride in others, remained standing. The people stayed as well. Some, of course, have departed (after all there is no more of what was formerly the KGB) and been replaced by others. Some of them are our interlocutors today—Major General of Security Aleksandr Gurov, people's deputy of Russia and head of the Department for the Struggle Against Corruption and Major General Andrey Chernenko, head of the Center for Public Relations of the Ministry of Security of Russia. Inasmuch as the interview proceeded "without differentiation of functions," we agreed to designate the answers of our interlocutors with the common abbreviation "M.B."

[Tekhmenev] First question. How do you feel in the service of the KGB?

[M.B.] Very well, but with one important reservation. Without denying the succession of MBR [Ministry of Security of Russia] after the KGB which is visible throughout the building, in the specifics of all the intelligence services of the world, and let us not forget that the former "organs" served not so much the corporative political summit, as primarily our Homeland—we declare that the MBR is a radically new institution of Russian statehood.

We have an absolutely different operational doctrine—we are called upon to ensure security not only of the state, but of each citizen of Russia as well, that is, for the first time priority is attached to the individual. The MBR has no concrete enemy in a certain country, even though our

agents are in constant battle contact with adversaries. An adversary is any intelligence service working against Russia. We do not engage in political investigations, we do not have a department "Z" which used to engage in that.

Finally, MBR is guided in its activities by a clearly elaborated legislative base incorporated in the Law on federal organs of state security and the Law on operational and investigative activity. At present no director would be able to compel his subordinate to tap telephone calls, or conduct surveillance unless it is sanctioned by the procurator's office. In addition to the procurator's office our activities are monitored by the parliament, the president, the court, and our internal service.

[Tekhmenev] In other words, total bliss—is it possible to work?

[M.B.] Not quite. We have been placed within a clear-cut legislative framework, but some under our wardship have not. One of the key tasks confronting the MBR is struggle against corruption and organized crime. In principle, we have everything we need to do that: highly professional personnel, a minimum of needed equipment, experience, and knowledge. We are, however, lacking a more expansive legislative base.

Speaking of corruption, we are, first of all, referring to the law on the state employee, without whom the subject of our activity does not exist. Thus far there is no law on corruption.

At one time there was a lot of talk about declaration on incomes. Now—there is silence. In my view the following should be done: one beautiful morning declare the adoption of such a law, and announce legalization of all income with the levying of an appropriate tax by that evening. The shady businessman would be happy to legalize his billion, out of which he would end up with about 200 million, but it would be legal money which could be used for normal business activities without him having to steal and wait for us to get him. Plus there is also revenue for the state treasury.

And, naturally, it is absolutely impossible to operate without a law regarding the border. Most of the crimes in the area of corruption are economic in nature. Illegal issuance of licenses for export of goods abroad and the usual contraband make up the basic source of income for domestic corrupt officials. In principle we can stop the movement of cargo at the border. Those we catch, however, can only be given an administrative penalty.

[Tekhmenev] Still it is possible to do something?

[M.B.] Yes. But first it is worth noting that our subdivision is not the only one fighting corruption. The Administration of Economic Security, the Administration for Struggle Against Terrorism, and our colleagues in the Russian Ministry of Internal Affairs are also involved with this. That is not a scattering of forces—it is possible to mount an effective struggle against corruption only by marshalling all of the above-named units.

But I will return to what has already been accomplished. First of all, we compiled a card file which at present "lists" 3,000 subjects (individuals) engaged in corruption. Our colleagues in the Ministry of Internal Affairs have 3,500 such listings. Some of them are already under arrest. A group of personnel in the Ministry of Foreign Economic Relations, for example, has been exposed.

"Companions" recently attempting to sell 40 tonnes of ammunition to one of the Transcaucasian republics have been detained. The ammunition was being transported from Tataria while the aircraft was chartered from Sakhalin—they have cooperation at that level. A criminal group in Nizhniy Novgorod that attempted to sell 12 BMP [armored personnel vehicles] in the same area, in the Caucasus, but to forces fighting on the opposite side in the conflict, was neutralized at the same time. (After that just try and prove to someone that Russia is not participating in the fanning of conflicts between nationalities on the territory of the former USSR!)

Over the past three months the operation "Tral" was carried out jointly with the customs service of the MVD [Ministry of Internal Affairs], in the course of which valuables in an amount of 6.6 billion rubles were seized, including 650,000 tonnes of petroleum products, 10,000 tonnes of rare-earth metals (tungsten, nickel, copper, etc), and 52 kilometers of railway track.

[Tekhmenev] The impression is created that the Union has not disintegrated for the criminals?

[M.B.] That is exactly the point—that we are now living in a different community but crime is still as it was in the Union which was linked by cultural, economic, and political ties that were utilized by criminal Mafia groups. By contrast with everything else, they are not weakening but growing stronger. According to our figures around 50 percent of criminal groups in Russia have well established links with "colleagues" in the former union republics, while 10 percent operate in contact with distant foreign countries.

Just a year ago it was easier to combat crime—at that time an order from the Union MVD or the KGB was promptly executed at the local level and it was possible to coordinate joint efforts without any problems. Now, however, this is impossible. More than that, Russia still has not had enough time to sign extradition treaties (for the surrender of criminals) in sufficient numbers and it often does not even have agreements on collaboration in the legal area with certain CIS countries. It is true, at the level of ministries of security, such agreements have been concluded with Kazakhstan and Belarus. But this cannot even be called the minimum that is required for work.

It is time to speak of a kind of Euroasian interpol (it is possible to think of a better name)—an organization which would unify and coordinate the efforts of intelligence services of CIS countries in the struggle against corruption and organized crime, since our former "sisters" have similar problems.

### Minister of Internal Affairs on General Crime Situation

934A03604 Moscow *TRUD* in Russian 1 Dec 92 p 2

[Interview with Colonel General Viktor Yerin, Russia's minister of internal affairs, by Viktor Gordenko and Igor Tsarev; date and place not given: "The Forecast Does Not Promise Peace"]

[Text]

[Gordenko and Tsarev] During the years of perestroika, the former Union's political figures often publicly declared "uncompromising war against crime." However, the criminal situation only worsened from year to year. Viktor Fedorovich, can we today hope even if only for the stabilization of the situation?

[Yerin] I am a realist and I have given myself a full account; it is too early to talk about stabilizing the criminal process. Our research institutes have compiled a crime forecast out to the year 1995 and it is not comforting. There are weighty objective reasons for this. A number of circumstances in the conversion to a market, for example, are also causing an increase in crime.

Take, for example, unemployment. In the West, science and experience long ago showed that an increase in crime is directly dependent on the growth of unemployment. The economy's present instability, which is shown in the slump in production, the decrease in jobs, the uncontrolled increase in prices, the drop in the standard of living for the majority of citizens, and the reduction in expenditures for social programs—plus the growing indifference of some state agencies and public organizations to social problems—cannot fail to have an impact on the state of affairs also. Under these conditions, crime is becoming a real force capable of seriously blocking the government's steps on the path to building market mechanisms.

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**From official sources (statistical information, which previously had always been kept a very strict secret from Russia's citizens, was given to us on the minister's instructions. The figures describe the situation more eloquently than any words):**

During the last 10 months, the total number of crimes registered exceeded 2.2 million. This is 28.8 percent more than during the similar period of last year. The number of serious crimes grew by 29.1 percent and reached almost 320,000.

The number of robberies increased by 61 percent (to 22,000) and of thefts by 59.9 percent (120,000): approximately 1,500 robbery attacks on the apartments of citizens were registered; torment, torture, the use of neural paralyzing substances, and the actual use of weapons were constant attributes in almost a third of the robbery attacks.

Larcenies of state and public property increased by 42.8 percent (more than 440,000); thefts from apartments grew by 49 percent and reached more than 353,000.

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[Yerin] As you see, the situation is a complicated one. Even today, alas, it is still necessary to talk not about improving the situation but about the acute need to strengthen control over it. However, as they say, there is light at the end of the tunnel. During the first 10 months of this year, we solved 145,800 more crimes than during the same period of last year. More serious crimes—murders, rapes and robbery assaults—were solved by more than 15,000. For murders, the solving indicator is stable—80-85 percent—generally speaking.

[Gordenko and Tsarev] Is it true that cases of criminal groups taking hostages from the ranks of citizens of both Russia and near and far foreign countries for the purpose of extortion have become more frequent? Does torture, humiliation and violence occur during this?

[Yerin] In each such case, we take very extreme measures. In June of this year, the general consul of the Estonian Republic's embassy appealed to the Moscow GUVD [Main Administration for Internal Affairs]. He stated that Estonian citizen P., board chairman of the Obt Joint-Stock Company, had been grabbed in Tallinn by unknown persons and brought to Moscow; he was being kept somewhere under armed guard. The place where the hostage was located was determined that same day. During the evening, a GUVD group stormed the apartment where it discovered the hostage handcuffed to a central heating pipe. The criminals—inhabitants of Moscow—put up furious resistance but were arrested.

Another example,—a criminal case involving the grabbing of a businessman from Australia and his wife as hostages at Sheremetyevo Airport. The criminals demanded the payment of 1.5 million U.S. dollars for them. Cooperating with the FBI (discussions on the ransom were conducted with the United States by telephone and were set) and the Australian police, the location of the hostages and their "guard," a racketeer who went by the alias of "Alik the Gypsy" who lived there, was determined. All the extortions were arrested after the successfully conducted operation. One of them turned out to be an employee of the operational technical administration in the Interpublic Security Service.

[Gordenko and Tsarev] The world is frightened today over the possible combining of criminal groups in Russia with their foreign "colleagues." Is this fear realistic?

[Yerin] Yes. A total of 943 organized criminal groups have already been exposed on Russia's territory during the past year. Of them, 91 groups had interstate ties and 180—interregional.

Russia's MVD has operational information at its disposal regarding approximately more than 2,000 criminal formations in various degrees of organization, which are operating on the republic's territory. The number of their active participants is reaching 15,000. A third of them have illegal foreign ties. However, international organized crime represents an increased danger not only for other

countries but primarily for Russia's economic and financial condition by inflicting more appreciable material losses and undermining international authority.

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**From official sources:**

A continuous increase in the number of crimes against people is occurring. Murder and attempted murder have grown by 35.6 percent (to 18,100). Cases of premeditated bodily harm—by 23.5 percent (more than 42,000). Many of these are noted for their audacity and cruelty and are accompanied by torture and mockery of the victims. The large number of illegally held weapons contributes to this to a certain degree.

Persons, who have already previously committed a crime, make a substantial "contribution" to the sad picture. The rates of growth for repeat offenders have reached 15 percent (almost 250,500). Practically a fourth of the crimes are committed by these repeaters. Persons in a drunken state committed 35.7 percent of the crimes registered (340,000).

More than 140,000 criminals avoiding inquests and trials are under investigation.

A total of 87,700 of them (or 62.6 percent) have been arrested. The break-up of the former Union and, as a consequence, the elimination of union-wide searches undoubtedly are having a negative impact and complicating effective investigation work.

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[Gordenko and Tsarev] And the last question: Name the most "painful" points in the present MVD system.

[Yerin] Of the main ones, I would primarily pick out:

First: The protection of law and order. It should react accurately and quickly to the appeals of citizens. Here, one must solve questions concerning the supply of on-duty units with transport, fuel and reliable communications.

Second: Organized crime and corruption. We know a great deal and we have investigated much; however, it is still necessary to find effective forms for documenting and exposing serious organized criminal formations.

Third: The staffing of internal troops and the raising of their combat readiness.

Fourth: The state of affairs in corrective labor establishments (ITU). The conversion to market relations also requires serious changes in this area.

Our Western colleagues are surprised at times: How is it that we have two individuals sitting in a cell, on white bed-sheets with colored televisions, tennis courts, sports gyms, and free outings. However, you have pairs in three tiers. We would be happy to do everything like they do, for example, in Switzerland; however, I think that it is necessary to establish such conditions in Russia primarily for law-abiding citizens although quite a bit has been done during recent years to improve confinement conditions and bring them into compliance with international standards.

In accordance with the wishes of ITU prisoners, there are now special premises for conducting religious ceremonies, and churches and places of worship are being built using the assets of believers. Prisoners have received the right to insurance and to acquire certificates, internal loan bonds and other securities. They can be granted an annual paid holiday of up to 12 working days.

However, one should not think that all this is aimed at relaxing conditions. There should be no illusions here: During the last 10 months, more than 11,000 crimes, including 2,600 escapes, were prevented in colonies, prisons and investigation isolation wards.

[Gordenko and Tsarev] The numbers, which the minister of internal affairs made available to us, and his unbiased account undoubtedly testify that the criminal situation in Russia is very far from being a tranquil one today. However, the course itself of the conversation, the understanding of the entire urgency of the situation and the account of specific actions permit one to hope that the situation will nevertheless change—and for the better... would that it be sooner.

### Results of Negotiations Between Government, FITUR Outlined

934A0360B Moscow *TRUD* in Russian 1 Dec 92 p 2

[Interview with Gennadiy Melikyan, minister of labor, and Igor Klochkov, FITUR (Federation of Independent Trade Unions of Russia) chairman, by Albert Kozlov, *TRUD* correspondent; date and place not given: "Ambitions Have Moderated: Bilateral Negotiations Between Russia's Government and FITUR Have Ended"]

[Text] The final document—"Findings On the Work of the Conciliation Commission"—points out, in particular, that a number of draft legislative and normative acts were prepared (or ones developed earlier made more precise), whose implementation will contribute to solving the majority of problems that the trade unions raised in their demands. The commission recognized that it is necessary to accelerate the adoption of these acts and proposed that Russia's government turn to the Russian Federation's president and Supreme Soviet on this matter.

How do the participants evaluate the results of their discussions? Albert Kozlov, *TRUD* correspondent, addressed this question to G. Melikyan, minister of labor, and I. Klochkov, FITUR chairman.

[Gennadiy Melikyan] Solutions were found for a number of serious questions raised by FITUR in its demands. These concern economic support for branches connected with the production of consumer goods and for the housing and municipal services branches. Documents on several measures to support the economy's agrarian sector and the conversion of the defense complex and on problems regarding state regulation of prices for energy in agricultural production, individual food products that are socially important, children's items, medicine, etc., were specified and will be submitted to the power structures for their review.

The positions of FITUR and the government on matters concerning the issuance of stock shares, privatization of state property, wages in the budget area, etc., have come closer together. Generally speaking, the negotiations were useful.

I want to point out that the government began them, having already done a great deal of work on those problems which the trade unions had written in their demands. Of course, differences and different understandings and approaches to solving this or that task remained.

However, we were convinced that, if our opponents did not push so-called "departmental" ambitions to the forefront but strove in an interested manner to search for solutions acceptable to both sides, the matter would progress successfully.

[Klochkov] Six rounds of negotiations in a month, strenuous activity in working groups—all this testifies to how serious the negotiations were. Although sharp situations arose at times during the discussions, the dialogue nevertheless took place at a civilized level. Solutions, which were required in the interests of the workers, were found for a number of questions. However, there is no complete satisfaction. The final document fixes the remaining differences. What did they not manage to do and how should the trade unions act in the future? Each member organization of the federation and each trade union will resolve this after it familiarizes itself with the findings regarding the work of the conciliation commission.

**From the Editors:** Although the agreement achieved during the negotiations also confirmed that the meeting style of the trade unions' dialogue with the authorities had yielded to a constructive discussion, one should nevertheless remember that one swallow does not make a summer. It is necessary to strive to preserve and strengthen the fragile agreement arrived at with such labor.

### Coal Industry Leaders Appeal to Yeltsin

934A0338A Moscow *RABOCHAYA TRIBUNA* in Russian 27 Nov 92 p 1

[Article by Viktor Andriyanov: "The Dark Hills Are Not Sleeping: The Crisis in the Coal Industry Is Threatening the Entire Country With Trouble"; passages in boldface as published]

[Text] Yesterday, 77 leaders of Russia's coal enterprises appealed to B. Yeltsin. The managers of coal-mining associations, mine-development combines, coal machine-building plants, scientific research institutes, design institutes, and mine rescue units representing all regions of Russia considered it their duty to draw the president's attention to the critical condition of this key sector of the economy.

Coal mining in Russia for the years 1990-1992 fell by 84 million metric tons. A further drop of 40-45 million metric tons is expected in 1993.

Over the last 4 years, the republic suffered a loss in capacity of 88 million metric tons and half of this was in this year. For the first time since the postwar years, even

simply maintaining existing capacities is not possible. Replacing these losses will require 15-20 years.

Consumers' indebtedness to the coal enterprises amounts to 70 billion rubles. In terms of the level of wages, in recent months, the miners have dropped to third place.

The injury rate is growing—237 miners died on the job this year—by a factor of 1.3 more than last year.

After the introduction of new currency regulation rules, coal exporting became unprofitable and even excessive according to energy marks. Out of \$600 million promised by the government for filling a state order, in point of fact, only \$10 million have been received.

The slump in coal mining, unprecedented in worldwide practice, and the losses in the reproduction of capacities will drive the entire national economy to the brink of catastrophe.

We hope that you, as head of state, will not permit the collapse of the coal industry, wrote the managers of the sector's leading enterprises, appealing to B. Yeltsin. In order to prevent this, in their opinion, it is necessary to take the following steps immediately.

- Instruct the government to draw up and approve a Statute on State Support of Coal Industry Enterprises.
- Accelerate the establishment of a Russian Coal Company to coordinate the activities of coal industry enterprises, coal machine-building plants and mine-development organizations and transfer to it ownership of the "lion's share."
- Implement the conversion of coal-mining associations into joint-stock companies while preserving the existing production complexes.
- Make it incumbent upon the government to meet the budget obligations to the coal industry enterprises for subsidies, capital investments and payments to the Pension Fund and to compensate for the price rise for consumed material resources in the fourth quarter of this year.
- Allocate to the coal industry enterprises the necessary financial resources for the sector's normal operation in 1993.

The day before, the labor collectives of the Severokuzbasugol [Northern Kuznetsk Basin Coal] Concern appealed to the President of Russia in an open letter which was essentially similar and strongly worded in content. The concern's 40,000-strong collective, it stated, in fulfilling state shipments and obligations, found itself "in debt over its head" and had become financially bankrupt through no fault of its own. Is the government aware of the fact that the people's patience is not infinite? the miners asked.

"What would you add to these missives?" I asked Yevgeniy Kukharenko, the concern's general manager.

"On Saturday, the railroad workers cut off our supply of empty cars. Electric power is being received, as they say, sparingly. The mines are shutting down. You can image

how this is affecting the miners' mood and to what this may lead. Indeed, for a miner and his family, wages are the sole source of subsistence."

Aleksey Melkov, general manager of Rostovugol [Rostov Coal] Production Association: "Coal does not forgive a scornful attitude toward it. Correcting the situation later takes years. This has already happened in our history. Nowhere in the world, including in the USA and the FRG, is coal being abandoned. On the contrary, large subsidies are being allocated to the industry."

Valeriy Zaydenbarg, president of the Coal of Russia Corporation: "In recognizing its responsibility for the fate of the industry, the corporation's council, and these are the greatest specialists, people with immense practical experience, sought a model for the management structure, which would meet present-day requirements. Our position is that an organ is needed with the status of a state enterprise—a Russian Coal Company. It should have the right to use resources allocated by the government. Of course, it would also be accountable for the efficiency of their use."

The mines are going beyond the brink of financial ruin. The government should see to what kind of finale this will lead...

Today, it is still not too late to heed these voices. But, is the Old Square hearing its own country?

#### Fuel Ministry Collegium Sees Need for Gas Price Hikes

934.0338B Moscow KOMMERSANT DAILY  
in Russian 19 Nov 92 p 1

[Article by Vadim Mikhnevich: "The Gas Kings Are Asking To Raise Prices: The Matter of Freeing the Prices for Gas Is Discussed"]

[Text] At a collegium of the Russian Ministry of Fuel and Power Engineering, which took place yesterday, the matter of freeing the prices for gas was discussed. The matter was submitted for discussion by the managers of the enterprises which are part of the Rosstroygazifikatsiya [Russian gas facility construction and installation] Association. In their opinion, the plans for putting new gas capacities into operation by next year are unrealizable if prices remain fixed.

At the present time, two large monopolized structures are operating in the gas industry: the Gazprom AO [gas industry joint-stock company], which is engaged in the production and mainline transport of natural gas, and the Rosstroygazifikatsiya Association, which delivers and sells gas to the public and to industrial enterprises. The Gazprom association buys gas at the price of 216 rubles [R] per 1,000 cubic meters and sells it to the public for R260. Taking into account the NDS [value-added tax], the payments into the budget amount to R276 for each 1,000 cubic meters; thus, on the sale of each 1,000 cubic meters, the association is losing R16. It is quite obvious, Vasilenko noted when citing these figures at the collegium, that it is impossible to increase the gas facility installation capacities under such conditions.

The situation has been aggravated by the conflict between Gazprom and Rosstroygazifikatsiya, which arose after Gazprom, using the rights granted to it, began signing contracts with industrial enterprises without going through Rosstroygazifikatsiya. For the association, this was a perceptible blow, since the losses from the sale of gas to the public were being covered through the profits in the transactions with industrial enterprises, which amount to R160 for each 1,000 cubic meters.

Apparently, foreseeing such a turn of events, the ministry's experts had made some calculations, having determined a pricing plank, under which the profitability of the gas enterprises would amount to 30 percent. The new price for 1,000 cubic meters of natural gas sold to state enterprises, according to their calculations, should amount to R3,200-3,300. The price for a 50-liter tank for the public could rise to R1,000. Therefore, as the experts figure, the government will inevitably find itself having to choose whom to subsidize—enterprises, if the regulated prices for gas are retained, or the public, if the prices are freed.

In speaking at the collegium, the general manager of the Rosstroygazifikatsiya Association, Boris Vasilenko, declared that, at the existing level of prices, not only is the development of the gas industry impossible, but so is the normal functioning of the available capacities. It cannot be precluded that the ministry will go to the government with a proposal about freeing prices even in the near future. KOMMERSANT intends to report about the further development of events on 24 November, when the minister of fuel and power engineering, Viktor Chernomyrdin, who is currently in South Korea, returns to Moscow.

### **Oil Consortium Presents Sakhalin Shelf Conservation Plan**

**934A0338C Moscow KOMMERSANT DAILY**  
in Russian 19 Nov 92 p 3

[Article by KOMMERSANT DAILY's Business Department: "The Technical and Economic Feasibility Study Is Almost Ready: MMM Consortium Ecologists Are in Moscow"; passages in boldface and italics as published]

**[Text] On 20 November, there will depart from Moscow a group of specialists on matters of ecology and the safety of conducting operations for the production of oil and gas from the international consortium, MMMS. MMMS representatives met with specialists from the Russian Ministry for Environmental Protection and other departments involved with environmental protection matters, as well as with members of the parliamentary committee for the use of natural resources. In the course of the meetings, there was discussion of the ecological aspects of the technical and economic feasibility study currently being prepared by the consortium for the exploitation of two oil and gas fields of the Sakhalin Shelf.**

**KOMMERSANT:** *In conformity with the Agreement on the Preparation of the TEO [Technical and Economic Feasibility Study] for the Exploitation of the Piltun-Astokhskiy and Lunskiy Field, signed on 30 March, 1992,*

*between the MMM Consortium (the consortium participants at that time were the firms of McDermott International and Marathon Oil, both of the USA, and Mitsui & Co of Japan) and the Ministry of Fuel and Power Engineering, the technical and economic feasibility study is supposed to be prepared and submitted to the Russian Government by 31 December. The conditions of the agreement make provision for the preparation of multivariant calculations for the exploitation of the gas condensate field (Lunskiy) and the oil and gas field (Piltun-Astokhskiy). The consortium includes McDermott, a world leader in the construction of maritime oil and gas production platforms and their installation at sea, Marathon, a large oil and gas production company with significant experience in the production of oil and gas under climatic conditions comparable with those of Sakhalin (Cook Inlet, Alaska, and the North Sea), Mitsui, one of the world's largest companies in the field of oil and gas marketing and the financing of projects for their production and processing, and Royal Dutch Shell, a leader in worldwide oil and gas production.*

As is known to KOMMERSANT, the consortium intends to use in this project technologies which have already proven themselves to be good during the production of oil and gas under severe climatic conditions. At the same time, emphasis is being placed on technological means for the prevention of pollution, in contrast to the practice accepted in Russia up to now of preparing for the elimination of emergency situations which have already occurred. (In 1991, the Marathon firm was recognized by the administration of the State of Alaska as "the most ecologically safe" participant in operations on the peninsula's shelf.)

In the course of the presentation of the project in the Ministry for Environmental Protection, several details were reported of the technical and economic feasibility study in its ecological part, on conditions of confidentiality. According to KOMMERSANT's information, the consortium's specialists at this moment have completed 80-90 percent of the work on the preparation of the study. The technical and economic feasibility study will be submitted for state examination, based on the results of which the government will soon thereafter make a decision.

The consortium secured the rights to draw up the technical and economic feasibility study with great difficulties. In April of 1991, the consortium received oral assertions from the chairman of the Cabinet of Ministers, Valentin Pavlov, that the consortium needed to get started on implementing the project. Nevertheless, soon afterwards, a competition was announced for technical and economic proposals for the right to draw up the study, which MMM also won. However, in place of an official declaration of a winner, the Sakhalin administration proposed to the firms which participated in the competition the preparation of a parallel project for capital investments in the Sakhalin economy and infrastructure. The results of this new competition were tallied by the local authorities and MMM's proposals were again acknowledged as the best. In December of 1991, a governmental commission was established for a final review of the matter (it was headed up by

Viktor Danilov-Danilyan) and, on 27 January, 1992, the commission declared MMM the winner of the competition.

But the story did not end with this. At the insistence of the Sakhalin administration, a parliamentary commission for tallying the results of the competition was established and is continuing to work. KOMMERSANT intends to return to this theme next on 22 December.

### **Russian, German Transport Cooperation Highlighted**

*934A0358A Moscow GUDOK in Russian 12 Nov 92 p 3*

[Interview with Johannes Post, legal advisor for Transport and Communications of the FRG Embassy in Moscow, by V. Kolchik, GUDOK correspondent: "Broad Opportunities for Cooperation"; date and place not given]

**[Text] The Federal Republic of Germany is our longstanding, solid partner in economic, scientific-technical, trade and cultural relations. Cooperation in transport is by no means in last place. Johannes Post, legal advisor for Transport and Communications of the FRG Embassy in Moscow, obligingly agreed to answer our GUDOK correspondent's questions on Russian-German relations in this sphere.**

[Kolchik] Mr. Post, how do you evaluate, on the whole, the present state of relations between the transport workers of Germany and Russia?

[Post] In my opinion, our relations at this time are not only good, but are also tending toward further development.

First of all, I should like to remind you of the longstanding and fruitful Russian-German cooperation in air transport, the basis for which was laid in the 1920's-1930's by the creation of a joint aviation company, DEROLYUFT. In addition, intensive maritime transport has been implemented.

As for the railroads, the first route between Prussia and Russia went into operation in 1860. I also recall that the construction of the first Russian railroad, Pavlovsk-Tsarskoye Selo, opened in 1837, was directed by the German Franz Anton Ritter von Herster. In the past century, the Germans, along with the English, French and Belgians, contributed resources to railroad construction in Russia. The Odessa-Balta section belonged to them. In 1860, the Moscow-Yaroslavl Railroad purchased all its steam locomotives from the Berlin firm Borzig. In 1920, most of the locomotives acquired by Russia from abroad were supplied from Germany (700 out of 1,200). In the following year, by order of the Russian government, German specialists developed a new type of diesel-electric locomotive for freight consists.

[Kolchik] That is indeed something to remember. Let us turn to the present day, however. In what basic directions is the cooperation between Russian and German transport workers being carried out, and where is the emphasis being placed in the sphere of railroad transport?

[Post] Our cooperation covers a broad spectrum. There are, I would say, small, medium-sized and major projects.

In the near future, construction will be completed on the joint venture, Moskovskiy Aeroport, and a building for freight processing at Sheremetyevo will be turned over for operation. The project costs DM700 million. And in August, in Moscow, the first type A 310/300 Airbuses were leased to Aeroflot.

As for other cooperative projects, negotiations are in progress right now on setting up a joint venture with the participation of the railcar building plant in Tver and the plant at Ammendorf, a branch of the Deutsche Waggonbau AG (DWA), which, let us hope, will be successfully completed.

[Kolchik] Judging from the latest reports published in our newspaper, mutual contacts have recently received new impetus.

[Post] V. Yefimov, Russian minister of Transport, visited the FRG at the end of September in connection with the opening of the Rhine-Main-Danube canal, and met with Professor G. Krause, federal minister of Transport, in Nuremberg for the first exchange of opinions. A few days later, our minister met with G. Fadeev, Russian minister of Railways. As a result, several documents were signed which specified cooperation on specific projects.

I wish to remind you in this connection that the railroads of the former GDR (Deutsche Reichsbahn, DR) already had close business ties with the roads of the former Soviet Union. This "capital" will be taken into account in the future unification of the DR with the federal railroads (Deutsche Bundesbahn, DB). Incidentally, the DB, in turn, from the end of the 1980's, along with the German enterprises, offered the sector its cooperation in rebuilding Russian railroads and expanding them in stages, in order to adapt them for super-high-speed traffic.

If we are speaking of the specific results of the visits of the Russian ministers, G. Fadeev and G. Krause came to an agreement on joint rebuilding of the Moscow-St. Petersburg section and on bringing it to the level necessary for super-high-speed traffic. S. V. Yefimov reached an agreement on opening a new route of combined service, including the construction of a modern terminal in Moscow. It is a question of organizing freight transport for both railroad and motor vehicle transport.

I can add to what has been said that the German government is also making every effort to set up cooperation with both German and West European enterprises in the sector, within the framework of the European Community. This is a big job! After all, it is not only a question of improving Russia's railroad network, it is also a question of joining it with the railroads of Central and Western Europe.

[Kolchik] Certain new factors have obviously appeared in the mutual contacts?

[Post] Since I started working at the embassy in Moscow in 1988, we have formed, and it is gratifying to note this, relations of complete trust with all the Russian transport departments. I would even call our contacts to a certain extent friendly. To put it briefly, there are businesslike and

fruitful relations between the Russian ministries and the federal ministries of transport, and they should be expanded.

[Kolchik] Nevertheless, some difficulties cannot be avoided.

[Post] That goes without saying. After all, the process of radical change which is taking place in your country gives rise to fairly large problems and cannot help but touch the foreign partner. I have in mind the structural reorganization of the former Union ministries and the entrance of the Russian economy into the market, which has required from all railroad transport workers new thinking, and the need to act independently, without waiting for instructions from above, to think about increasing the sector's work efficiency and to take into consideration competition from other types of transport, particularly motor vehicle. But that is life. Substantial changes have taken place in your country in transport management, and the union ministries, which had jurisdiction over various aspects of the sector, have been abolished. Russia has now created a new ministry of transport in the classic sense of this word. The task is by no means an easy one!

[Kolchik] In your opinion, what are the prospects for cooperation between our countries?

[Post] Ministers G. Fadeyev and G. Krause, by signing the appropriate agreement in Bonn, laid a firm foundation for further cooperation between Russia and Germany. I think, incidentally, that we in Germany, and indeed, in all of Western Europe, should realize that we are direct participants in the changes taking place in your country, and from this stems the need for our growing interaction. It is not only a question of the financial side of the matter. We have broad opportunities for cooperation, in particular between the railroads.

It would be no exaggeration to say that Europe and North America are now experiencing a "Renaissance" of railroad transport. This can also be completely true of Russia, where the railroads have a great future.

### Kaliningrad Railroad Operational Problems Examined

934A03654 Moscow GUDOK in Russian 12 Nov 92 p 2

[Interview with K. M. Averyanov, chief of the Kaliningrad Railroad, by V. Polishchuk: "The Baltic Outpost"; Kaliningrad, date not given]

[Text] On 6 November, the collective of the Kaliningrad Railroad was awarded a certificate and first prize for the results of the sectorial competition for the third quarter of 1992.

G. Fadeyev, minister of Railways of the Russian Federation, and I. Shinkevich, chairman of the Central Committee of the Independent Trade Union of Railroad Workers and Transport Construction Workers of Russia, sent a telegram of warm congratulations to the Kaliningrad Railroad workers.

Their success, the telegram notes, attests to the conscientious fulfillment of their professional duty and the high degree of awareness and creativity in their work on absolute fulfillment of the plan adopted and provision for the needs of the national economy and the population for transport.

"Over 300 passenger cars transport about 70,000 passengers every day, and of them, 10,000 are transported beyond the oblast boundaries. Over 30,000 tonnes of freight are shipped daily, and almost as many arrive and are processed. There about 12,000 people working on the road." This is the way Kazimir Mikhaylovich began the interview.

"Even in this difficult time, we are trying to take care of our people and to retain personnel. A few Kaliningrad enterprises are now in a position to maintain kindergartens, pioneer camps and palaces of culture, and to provide their workers with recreation travel permits worth 200 rubles [R] each or inexpensive meals by means of a subsidiary farm, and what is more—to build housing. The railroad can do all this for the time being. I think that this is the correct approach under the conditions of the transition to a market economy, raging inflation and a rise in unemployment. Precise and coordinated work on the road can hardly be expected unless the social problems are solved."

[Polishchuk] The regular rise in prices for tickets in most of the regions of Russia did not cause any reduction in the passenger flow. What is the situation on your mainline?

[Averyanov] The number of passengers on our road is not decreasing either. On the contrary, it is growing considerably, particularly on the suburban routes. Thousands of citizens have obtained garden plots, and the concern for delivering them lies mainly with the railroad. Literally an entire consist has been sent out on the line, but nevertheless, it is not enough.

[Polishchuk] Is there any possibility of increasing the fleet?

[Averyanov] There is a critical shortage of rails, ties, building materials and equipment on the railroad today. There are simply no longer any funds to purchase expensive electric trains and passenger cars, especially currency for Hungarian-produced diesel-trains. Investments from outside are needed here.

It is possible that enterprises interested in delivering their workers to out-of-town sections could help. This is being done in other Russian cities. I hope that we will also resort to this. For the time being, we are trying to look after what there is. The problem of respecializing the railcar depot to repair not only flatcars and freight cars, but also passenger cars, is being solved.

Riga used to have the monopoly on this. The railcars were driven to Latvia for repair, but not only time, but also considerable funds are spent on these "journeys."

There are other problems, too. A great deal of the freight arriving in the oblast, particularly that ordered by commercial structures, remains unclaimed. Up to 1,000 cars stand idle every day, and it is often impossible to find the

consignees or consignors. Contracts are broken, the partners are unreliable, there is no licensing for export, and the railroad shares in the problems of selling or the other woes of the enterprises and the losses entailed, whether it likes it or not. The buyers already owe us over R200 million.

[Polishchuk] Has the mutual understanding between the railroad worker-partners, formerly united by the Baltic Railroad administration, been retained?

[Averyanov] It is very difficult to reach an agreement, and this complicates the work and causes the clients dissatisfaction. Complaints come in to us considerably more often than before.

Here is one of the letters: "We sent a container from one of the Russian cities by rail. We paid for transport to Kaliningrad. But at the freight station in Kaliningrad, they made us pay an additional R3,500 to transport the container through Lithuania." What can you answer here? The extra charge was demanded on legal grounds—although this is hardly a consolation for the passengers [sic]. Now, when freight is transported from the CIS countries to Kaliningrad Oblast with transit through the Baltic state, the payment exacted is differentiated. First—for transport from the point of dispatch to the first junction station in the Baltic countries. After that, upon arrival in Kaliningrad, additional payment is made at the local freight station for transport through the Baltic republics and the territory of Kaliningrad Oblast.

[Polishchuk] A great deal is said today about the rise in crime on the railroad. What can you say about this?

[Averyanov] This is a very painful question. Smashing the glass in railcar windows and slashing and stealing the seats has become a truly genuine calamity. Because of the increased demand for non-ferrous metals, cases of vandalism theft of parts of working groundings and reverse current channeling circuits and all the track circuit connections to rails have become more frequent, which can lead to unpredictable consequences.

In just the last two months, over 30 cases of damage to all-electric interlocking and communication devices were recorded. The losses suffered by the railroad amount to a total of over R3 million. Because of the mass theft, train traffic on the coastal route is on the verge of a stoppage—communications are so seriously disrupted. The situation is no better on other routes. The cable reserve for communications has virtually ceased to exist on all the sections on the Chernyakhovsk railroad junction bypass, where criminals have destroyed a total of 35 kilometers of mainline cable.

Here are some other examples. On 10 April, on the 1,440th kilometer of the Nesterov-Kibartay line, the citizens of Lithuania damaged the cable that ensures communications with Lithuania, Belarus and the Ministry of Railways. The criminals needed copper. On this same line, over 10 kilometers of wire were taken from the open-wire line.

On 1 November, because of the cutting of the track circuit connection to the rail, the contact-wire network was turned

off, and as a result, the electric train had to be pulled by a diesel locomotive to deliver the passengers to their destination.

On 2 November, at the Kaliningrad-Sorting Station, the electric lead was opened in order to remove the copper wire. In November, on the Chernyakhovsk-Ovrazhnaya line, the criminals cut a 140-meter long main cable from the protected metal structures three times during the month.

It is just as annoying that this vandalism is seemingly no one's business, except the railroad workers. After all, though, you cannot build a fence along this road.

[Polishchuk] Television recently covered the topic of the illegal actions of the Lithuanian customs on the Kaliningrad-Moscow train. What can you say about this?

[Averyanov] The circle train from Kaliningrad to Moscow passes over the Rokishkis-Obelyay line at night. Most of the disgraceful acts occur here. On train No 244, on the night of 27-28 August, the passengers had to throw out of car No 1, by kicking and punching them, four great big guys, in the form of Lithuanian frontier guards, who had beaten up a woman conductor. After turning everything topsy-turvy in the conductor's compartment, they had found nothing worthy of their attention, and the woman suffered for nothing.

It is rare for the customs inspector to pass by train No 244/243 without open extortion and filching. On 5 August, four checkers under the muzzle of an automatic, were forced to open the service facilities. When they refused, the doors were smashed open with the butt of the automatic. The so-called "search" yielded no results. On 10 August, armed customs officers on two cars sent the conductors into the vestibule and caused disorder in the service facilities. Without any explanation, they tried to put one of the conductors off the train. On 28 September—a transit passenger was removed from the train. And so it goes. Only the names and dates change. The essence of the incoming reports is just this: hands are being laid on people, the transit passengers are searched, there are threats with weapons and state property is being damaged. At the end of each report there are anxious requests to ensure safety when service duties are being carried out.

Conductors S. Bespalov and V. Platonov, for example, report the following. On train No 244, Lithuanian customs officers often operate "incognito," without presenting their documents. They demand "duty" from the passengers in the amount of several thousand rubles. When the passengers refuse, they throw them and their things off the train.

[Polishchuk] Just what measures is the road management taking to avoid incidents like these?

[Averyanov] The first step was a letter to A. Butkyavichus, the Lithuanian minister of Security for the country, and to V. Valatskas, the chief customs official of the Lithuanian Customs Department, signed by Yu. Matochkin, head of the Kaliningrad Oblast Administration, in which the facts of the rude behavior of their subordinates were brought to

the attention of the directors. It was suggested that all the problems at issue be discussed at the negotiations table. This letter was handed to R. Ozolas, director of the Lithuanian delegation, at an official meeting with the delegation on 18 September.

Since the situation was not eased after this, which was noted, in particular, at a conference of train chiefs in the railroad administration on 24 September, the Russian minister of Foreign Affairs was informed of the state of affairs. The Lithuanian side treated the problem with understanding, but, unfortunately, the situation has not so far changed.

The Kaliningrad Railroad Administration has those who support canceling the ill-starred train No 244 (it is unprofitable and mainly Lithuanian inhabitants travel on it). In September, at a joint expanded session of the Collegium of the Ministry of Railways and Ministry of Internal Affairs of the Russian Federation, a number of measures to counteract crime on trains were considered and passed. The trains and routes to be accompanied by police detachments were determined on a contractual basis with the transport police.

[Polishchuk] What are the prospects for expanding international railroad service?

[Averyanov] A Kaliningrad-Berlin service (only one night en route) was set up in the summer. This is so far not a regular run, though.

On the eve of Ye. Gaydar's working trip to Poland in the first half of October, a meeting was held in Kaliningrad of the Russian-Polish "Round Table," on the problems of cooperation between the oblast and the regions of the Republic of Poland. The Russian delegation was headed by A. Shokhin, deputy chairman of the Russian Government, and the Polish delegation—by H. Goryshevsky, deputy chairman of the Council of Ministers of the Republic of Poland.

The opening and building up of border crossings was among the many problems discussed. In particular, the decision was made to open the Mamonovo-Branevo railroad border crossing to international passenger and freight traffic, as well as the Bagrationovsk-Vartoshitse border crossing to freight traffic between Russia and Poland. After the appropriate building up and setting up of the necessary infrastructure, it will be opened to international traffic. The Zheleznodorozhnyy-Skandava border crossing is to be opened up for freight traffic between Russia and Poland, and in the future, for international traffic as well.

Speaking of cooperation in the sphere of railroad transport, it is important to emphasize the striving of the Russian side in 1993 to complete the construction of a 1,435-millimeter rail section from the Dzerzhinskaya-Novaya Station to the Kaliningrad Passenger Station, which will make it possible to organize regular passenger traffic between Kaliningrad Oblast and the Republic of Poland and farther on in transit service. Until this section is put into operation, passenger trains will shuttle to the

Dzerzhinskaya-Novaya Station in a consist of no more than eight cars. All the seats in them are reserved.

The state of the Kaliningrad Railroad is a matter not only for the oblast, but also for Russia, which is evidenced by the instructions of the Russian President on further measures to develop relations between Russia and the states of Northern Europe. In it, the ministries of Transport and Railways and the Kaliningrad Oblast Administration are ordered, within six months, to draw up proposals for a comprehensive plan for the participation of the Russian Federation in the development of the transport infrastructure on the Baltic seacoast. Kaliningrad, along with St. Petersburg, is to become a "window on Europe," and to become the communications junction between Scandinavia and the Russian market.

These instructions do not yet signify financial help, but they indicate an awareness of the importance of the role of the Kaliningrad Transport Service, including the railroad. This means that there is reason to hope for government support in the near future.

## REGIONAL AFFAIRS

### Russia's Caucasian Policy Examined

*MK2511161292 Moscow NEZAVISIMAYA GAZETA  
in Russian 25 Nov 92 p 3*

[Yevgeniy Krutikov article: "Russia Will Preserve Apparent Neutrality in Ossetian-Ingush Conflict for as Long as Ossetians and Ingush Preserve Pro-Russian Orientation"]

[Text] A proper assessment of events currently taking place in North Ossetia's Prigorodnyy Rayon is impossible if you fail to take into consideration the motives behind the Russian federal authorities' actions in the region. While having a vital interest in preserving stability in the national republics, the Russian leadership will nevertheless try to derive the maximum advantage from the spontaneous seats of tension that arise in order to restore and strengthen its shaky military-political position in the Caucasus.

Since the greatest potential danger to Russian interests in the region comes from informal national movements overtly or covertly pursuing separatist aims, the Russian authorities objectively need to back most of the incumbent regimes in the North Caucasus republics on the basis of the "loyalty in exchange for stability" principle. The quality of this stability, which inevitably entails restrictions on civil rights and freedoms, provides yet another reason to say that interest and ethics do not often coincide in politics. The local authorities' conservatism has for some time hampered the formation of an influential national democratic opposition here, one capable of really laying claim to power. In this respect the Ossetian-Ingush conflict, which has undoubtedly given extremely good cause for introducing a state of emergency, provides the Center with extensive opportunities for political maneuvering and strengthening its control over the sociopolitical situation in the region.

It is easier for Moscow to influence the course of events in the central North Caucasus in alliance with local structures. Both after the relative stabilization of the operational situation in the conflict zone over a long period, and politically and through military force. One possible option is to prepare the ground for direct military intervention in the affairs of the Chechen Republic (a pretext for this could easily be found, given the absence of a clear territorial demarcation between Chechnya and Ingushetia).

Shaking the political positions espoused by the incumbent Groznyy regime means attacking the whole ideology of Caucasian integration. At any rate Russia can undoubtedly use the fairly powerful military grouping concentrated in the center of this unstable region which is escaping its influence, a grouping capable of performing both functions of deterrence (with regard to opposition national movements) and the tasks of rapid-response forces in the event of the emergence of fresh crisis situations. Evidently, a better excuse for this than the Ingush-Ossetian conflict could hardly be found.

Therefore the official North Ossetian leadership's (that is how the Ossetians see themselves) hopes of solving the Ossetian-Ingush problem rapidly once and for all using Russian troops and Russian political institutions seem illusory. Moscow would hardly now agree to take unequivocal pro-Ossetian steps (and officially declare Ingushetia to be the aggressor, totally disarm the Ingush formations, and abrogate Article 6 of the Law on the Rehabilitation of Repressed Peoples) since that would inevitably reinforce among the Ingush population the positions of those forces who favor taking the Chechen road. The most important (if not the only) reason for Ingushetia's pro-Russian orientation was its hope that it would be able to resolve the problem of Prigorodnyy Rayon with the supreme Russian leadership's help. It is hard to imagine in the current situation that federal organs would be able to put pressure on Vladikavkaz and have it make territorial concessions since that would inevitably complicate Ossetian-Russian relations and might deprive Russia of its most reliable bulwark in the Caucasus.

That is why the present ambiguity regarding the political and legal aspects of the Ossetian-Ingush problem and the sluggish military confrontation between the parties to the conflict (thanks to the disengagement role played by the Russian troops) will persist in the immediate future, giving the Russian authorities sufficient cause to carry on presenting events as a classic interethnic conflict and to maintain their military presence in the region at the desired level. A way out of the uncertainty may only emerge if one of the sides makes a definitive choice and distances itself from Russia (in that case it would make sense for Russia to support the opposite side) or if both sides realize that it is preferable for them to seek a compromise solution to the dispute.

#### **Luzhkov's Advice for Representative, Executive Detente Ignored**

934C0431A MOSKOVSKIY KOMSOMOLETS  
in Russian 12 Nov 92 p 1

[Article by Mikhail Gurevich: "In the War, Like at the Railway Station. There Was No Peace"]

[Text] From yesterday's meeting of the session of the Moscow Soviet people for all that expected more than from the others. The day before, Yuriy Luzhkov, the mayor of Moscow, had turned to the deputies with an appeal. Having noted that "the difficult socioeconomic and sociopolitical situation in the capital is being aggravated by the confrontation between representative and executive organs of power, the head of executive power proposed to "the respected deputies" to come to an agreement and set forth a number of concrete steps.

However, the respected deputies remained true to themselves, and Luzhkov's proposal was not included on the agenda. One of the respected deputies commented on the mayor's initiative with an example from Japanese classical literature: "A feudal lord hands over to a house of prostitution the wife of his friend, whom he then, in a burst of sincere kindness, gives permission to visit his spouse from time to time." Other respected deputies did not make such eloquent commentaries, and in general found it difficult to remember the questions included on the agenda.

Which, however, is not surprising. The atmosphere in the meeting hall of the Moscow Soviet is increasingly reminiscent of the atmosphere of the waiting hall at the railway station (if they would return the bust of V. I. Lenin to the scene, the similarity would be complete). The pacing through the hall does not stop for a minute; the respected deputies move from microphone to microphone, making their favorite remarks "to a point of order" or something more pointed like Anpilov's "judge!", regularly leave the hall in order to buy newspapers of patriotic content or to make telephone calls. It is quite possible that there is nothing wrong with these human desires, but an atmosphere so un conducive to work is taking shape in the marble hall that it distresses not only a detached observer but also the respected presidium.

Nevertheless it does not follow that the respected deputies are clinically unable to do something socially useful. They accepted, for example, a petition to the State Committee for the Management of Property of Russia to provide for the right to issue a privatization check to the heirs of someone who died in the manner stipulated by the RSFSR Civil Code. And they would adopt still more if they were not at war.

#### **Luzhkov Decree on Financing City's Socioeconomic Development**

934C0434B Moscow MOSKOVSKAYA PRAVDA  
in Russian 12 Nov 92 p 3

[Decree of Moscow Mayor Yu. Luzhkov: "On Additional Measures for Financial Support of the City's Economic Development in IV Quarter, 1992; Instruction of the Mayor of Moscow of 27 October 1992, N 441-RM"]

[Text] In view of the instability of the financial situation, increasing inflationary processes and growing budgetary demands for the institutions of the social sphere and branches of the city economy of the capital:

1. Increase the budget indicators of the city of Moscow for fourth-quarter 1992 income to R3,982,700,000 in accordance with enclosure 1.
2. Introduce changes to the expenditures portion of the budget indicators of the city of Moscow for the Fourth Quarter 1992.
  - 2.1. Increase appropriations for major repair to available housing in order to cover the debt that had been amassed by 1 October 1992, to R1,169,000,000.
  - 2.2. Increase appropriations for civic improvements to the city in order to cover the debt for major road repairs which had been amassed by 1 October 1992, to R705,000,000, and for maintenance of external public utilities and amenities, to R744,000,000.
  - 2.3. Increase appropriations for maintaining city passenger transportation for acquiring spare parts for "Ikarus" busses to R364,050,000.
  - 2.4. Direct R1,000,650,000 to cover the fourth-quarter budget deficit.
3. Introduce changes to the volume of financial resources of administrative okrugs for the Fourth Quarter of this year in accordance with enclosure 2.
4. Increase appropriations for the department of public utilities to R760,750,000, proceeding from the changes in expenditures stipulated in point 2 of the present directive.
5. Heads of departments and committees, and prefects of administrative districts shall take all-encompassing measures to ensure the purposeful and economic expenditure of budgetary assets.
6. Control over fulfillment of the present directive is bestowed upon First Deputy Premier K.E. Buravlev.

#### **Fadeyev Analyzes Forces Within Moscow City Soviet**

934C0437A Moscow KURANTY in Russian  
17 Nov 92 p 4

[Article by V. Fadeyev, people's deputy of the Moscow City Soviet: "How the Democratic Moscow City Soviet Became a Postcommunist Cesspool"]

[Text] During the past half year, one has frequently had the occasion to encounter a lack of understanding of what is happening in the Moscow City Soviet. Journalists and voters cannot understand this, and not even the deputies themselves can explain this. It is incomprehensible how the Democratic Moscow City Soviet Became a Postcommunist Cesspool.

How did it happen that the body of deputies which, if one is to believe the results of the elections in March 1990, for the most part consists of democrats—members of the electoral bloc "Democratic Russia"—embarked on the path of confrontation with the president, with the governments of Russia and Moscow?

It must be honestly acknowledged that the process of the slipping down of the current membership of the Moscow City Soviet into a conservative-protective policy did not begin yesterday. Already by the time of the elections of the mayor of Moscow, that is in June 1991, the democratic bloc "Democratic Russia" was practically broken up into dozens of factions and has lost its influence. Of almost 300 deputies who counted themselves as belonging to the democratic camp in the spring of 1990, not more than 100 stood firmly for the position of radical reforms. This is what has caused the stiff opposition of part of the deputies to the very idea of reforming the executive power in the city of Moscow, as well as the subsequent opposition to the policy of G. Popov.

The process of the unification of the "right-wingers" and "left-wingers" in the Moscow City Soviet began long before the August Putsch and determined for almost a year the unification of the anti-Yeltsin opposition on the scale of all Russia.

If we look at what political leaders the Moscow City Soviet has brought up during these years, the result of the regressive process is even more evident. Precisely the Moscow City Soviet gave Russia Viktor Anpilov, the leader of the neo-Bolshevik "Trudovaya Moskva" and one of the most implacable communist parties. The leaders of the democratic parties and "Democratic Russia", on the contrary, have weakened, have disappeared in the shadow, and are not known to anyone today.

The political distribution of the forces in the Moscow City Soviet has changed into the opposite one. Now it is precisely progressive and reformist proposals, proposals necessary for the strengthening of the market and democracy, which pass with incredible difficulty, by one or two votes, or are not adopted at all. But on the other hand, decisions that confront the government of Moscow and impede the course of reforms are adopted without long discussions. The situation in the organs of power and administration of Moscow has changed into the reverse, and now it is the government that has its origin in the party and nomenklatura which is the conduit for Russian reforms. The democratic character of the Moscow City Soviet is a thing of the past.

Unusual and difficult to understand is the problem of the technology involved in the adoption of decisions. It is well known that there are 460 people in the Moscow City Soviet, 223 of them work in the city Soviet on a permanent basis. In so doing, all decisions of the Soviet in the last 9 months have been adopted by 130 or 140 votes. This is less than half of all the deputies elected by Moscow to the organ of representative power!

The point is that already for a year and a half the Moscow City Soviet has been working on a procedure for a lowered quorum, when a session can be held (all the deputies having been informed about this ahead of time) when not less than half of all those elected to the Soviet are present. This means that 230 people's elected representatives on behalf of 460 can be the arbiter of the fate of the city. Precisely in this situation 120-130 votes of the deputies of the united "right-wing-left-wing" orientation are sufficient to impose their decisions. Moreover, there is no end to the

attempts to lower the quorum to almost ridiculous figures: 90, 80, 70 people. A situation may take place, and is already taking place, in which one group of deputies adopt one decision that suits them personally, and then other groups of deputies, having found out about this, come and abolish this decision.

It must be acknowledged that the question of the re-elections of the city Soviet has not only become ripe, but has already become overripe. The necessity of new elections to the local Soviets was felt especially clearly in September-October of the past year, when after the putsch there was a sharp change in the political and economic situation, but the Soviets, after the suspension of the activity of the CPSU, and then also the dissolution of the USSR, continued to preserve the old political distribution, gradually transforming the CPSU that has departed from the historical arena into a double. The moral atmosphere has been and remains difficult in the Soviets, where those who supported and support the putsch continue to work side by side with those who, risking their lives, put a stop to it. Today it is precisely the Soviets which are a distinctive form of the existence of the old party and economic structure, which resists reforms and is preparing their defeat.

Muscovites must know about the problems of Moscow City Soviet and about its political character in order not to experience illusions, from force of habit believing that the Moscow City Soviet is in the hands of the democrats. The city needs a reform of representative power: Not only municipal Soviets of the administrative districts must be elected, but also a new Moscow City Soviet, not numerous in terms of membership and capable of taking the necessary decisions effectively. The popular assembly [veche] of 300-400 people must be replaced by a city parliament of 80-100 people.

In the present situation, the obsolete rayon Soviets do not have a real possibility of controlling the executive organs that have been formed on the basis of a new administrative-territorial principle: Prefectures, territorial administrations, sousprefectures. The Moscow City Soviet is not capable of solving the problem of organizing its own work with such a large membership. And in such a situation of the uncontrollability of the executive structures of power, corruption flourishes in splendor, and abuses of office are committed. The problem of holding elections demands solution, and the sooner the president of Russia and the Supreme Soviet understand this, the better.

**Lesser Soviet Discussion of Moscow Draft Budget**  
934C0434A Moscow KOMMERSANT-DAILY  
in Russian 19 Nov 92 p 2

[Article by Irena Matveeva: "Moscow Lesser Soviet Examines Budget: Draft Approved in Spite of Doubts in Accuracy of Estimates"]

[Text] Routine examination of the draft budget of Moscow for 1992 [sic] was held yesterday in the Moscow Lesser Soviet. The deputies decided to submit it at the next session of the Moscow Soviet, which is to be held in December.

The Lesser Soviet undertook examination of the proposed draft in spite of a significant difference in the calculations of the Budget and Finance Commission of the Moscow Soviet and the administration's Department of Finances. Thus, income tax from physical persons, according to administration data, amounts to R19.58 billion, while the sum calculated by the commission is R21.94 billion. This difference is most likely explained by the fact that various figures were taken for the initial data on the size of the able-bodied working population of Moscow. Commission Chairman Alexander Plakhin called upon the deputies to register rental payments through the budget next year, which today fall under the income portion. Discounting this item of income by the lower structures, in his opinion, threatens a shortage.

The Lesser Soviet devoted special attention to examination of a directive on revoking tax benefits in consideration of the priority right to designate benefits, assigned by presidential edict to the Moscow Soviet. Thus, all the benefits of the Moscow hotel and tourist complex were revoked. But taxes from legal entities, levied in the amount of 0.5 percent until 1 July, should increase twofold.

Conducting such a headlong discussion of the draft budget for the current year, in the few days remaining until its end the deputies must examine and approve the budget for the coming year, in order to present it to the executive authorities in legislative order. In addition, the deputies discussed forming a currency fund at the government of Moscow. Based on the results of the discussion the lesser soviet proposed changing it from a fund at the government into the city currency fund, and on their part promised to protect and monitor it.

**Sharp Increase in Moscow Food Prices Noted**  
934C0431B Moscow MOSKOVSKIY KOMSOMOLETS  
in Russian 12 Nov 92 p 1

[Unattributed report: "Price Increase in November"]

[Text] According to the Moscow City Committee on Statistics, during the first week of the month the price index for prices for products sold in state trade came to 106 percent.

There has been a sharp price increase in state stores for cottage cheese (by 28 percent for the week), noodles (24 percent), and dried crust (23 percent). There has been a 9-14 percent increase in the price of beef (to R134 per kilogram on the average for Moscow), pelmeni, frozen fish, canned salmon, baked goods, sooshki [small round crackers], peas, fresh cabbage, and onions. The average price for pork increased to R162 per kilogram for the city as a whole, for butter—to R276, sour cream—R120-R153 per kilogram. The price of cottage cheese increased to R144, hard varieties of cheese—to R229 per kilogram, granulated sugar—to R110-120 per kilogram.

The price index for the first week of November in the city's markets also came to 106 percent. However, for some goods the price increase was especially significant: For butter—by 47 percent (the prices vacillated from R600 per kilogram at the Lyublinskiy Market to R800—at the

Central and Cheremushkinskiy markets), for garlic—by 29 percent (from 190 rubles per kilogram at the Rogozhskiy Market to R45—at the Central Market), for apples—by 20 percent, for milk, eggs, potatoes, beets, carrots—by 9-13 percent for the week.

The price increase for meat, vegetable oil, sour cream, cottage cheese, cheese, and fresh cabbage in the city's markets came to one-five percent compared to the last week of September.

### New Moscow Militia Chief Pankratov Interviewed

934C0425A Moscow KURANTY in Russian  
13 Nov 92 p 2

[Interview with Vladimir Pankratov by Sergey Kapustin; place and date not given: "I Am a Professional"]

[Text] When the first day of work of Militia Colonel V. Pankratov in his new post of chief of the Main Administration of Internal Affairs ended, a correspondent of KURANTY interviewed him.

[Kapustin] Vladimir Iosifovich, how unexpected was this appointment for you?

[Pankratov] For 12 years I was in the reserve, holding the post of deputy chief of the Main Administration of Internal Affairs. I became the chief only 1 and 1/2 months ago. Naturally, the minister had no less worthy candidates. It has been said for a long time that a professional, which I consider myself, I believe rightfully, should head the militia. I have been in the militia since 1956. I began my service as assistant to a detective officer in the criminal investigation department. I never had any "influential" persons behind me...

[Kapustin] People say that a new broom sweeps in a new way. Are any personnel changes to be expected?

[Pankratov] I believe that we have quite professionally trained commanders.

[Kapustin] Then with what do you intend to begin your service at the new place?

[Pankratov] Russian and Moscow governments set for us the task of intensifying the fight against crime in the city. If we manage to mobilize workers for an efficient fulfillment of laws, then, I hope, the situation will change. Despite the present noncorrespondence of some of them to the situation in the country, we should observe them.

[Kapustin] One does not go far with enthusiasm alone. Militiamen, probably, need social protection today.

[Pankratov] A few days ago Yuriy Luzhkov allocated 1 million rubles to our veterans. I think that this is by no means the city's last help.

We hope "to force" a decision, according to which a militia worker after 25 years of service would be paid a part of his pension if he continued to work. In this way we will be able to stop the outflow of professional personnel.

[Kapustin] How much do you pay today?

[Pankratov] Not so much, but, nevertheless, something. A rank-and-file militiaman receives about 8,000 and a militiaman standing at the entrance of administrative buildings, up to 11,000.

[Kapustin] The wages are not bad, but the situation with housing continues to be difficult.

[Pankratov] The mayor promised to help us with apartments.

[Kapustin] Please tell me about your family and what do you do in your spare time.

[Pankratov] I have a small family: a wife and a son. True, I have many relatives. My wife was a militia mayor and then she retired. My son, like many people now, is engaged in business.

Sports is my hobby. I am the European and Union champion in wrestling. I lift weights and play volleyball. I have no time for other things.

### 'Medeya' Enterprise's Influence on Moscow Food Market Revealed

934C0425B Moscow KURANTY in Russian  
13 Nov 92 p 11

[Article by Aleksandr Nadzharov: "Moscow's Food Slip-knot"]

[Text] Prices, the rise of which frightens us so, are no longer such spontaneous things. An investigation conducted by KURANTY has led to the conclusion that every piece of meat, loaf of bread, or, for example, bag of potatoes costs exactly what those who have established the Medeya Joint-Stock Company will indicate. In the opinion of competent specialists, what they do can be called only Moscow's food slipknot.

"Do you want to find out who holds the people of Moscow by their throats?"

The voice heard in the telephone receiver was changed to such an extent that it was even impossible to determine whether it belonged to a man or a woman.

"What do you have in mind?"

"Food prices in the city. I hope that you know that they are the highest in Russia."

"Perhaps, only why do you call me at home? Come to the editorial office and we will talk."

"No. You will understand why when you receive and read some documents."

"Thank you, of course, only how will I receive them?"

In response short sounds of the telephone hanging up were heard. In the morning on my work table I found a package with official papers, which, indeed, made me plunge into deep thoughts, including about the personal safety of the man or woman who telephoned me. Everything stated below is based not only on the documents received in such an unusual way, but also on materials pertaining to their

verification and accounts by eyewitnesses and even by participants in the events. However, let us proceed in order.

The establishment of a closed-type joint-stock company—the Medeya commercial center for trade in food products—was recorded in the capital's registration chamber a year ago. I want to emphasize the words "closed type," because they determine everything that follows. The point is that, whereas those who buy shares—virtually all those who want to—can become shareholders of an ordinary enterprise, in a closed company only its members, mostly managers, have this right. They divide all the income among themselves. At the same time, they also incur costs.

Thus, directors of the capital's 11 biggest wholesale enterprises, which supply stores with meat, meat products, bread, confectionery products, fruits, vegetables, and fish products, as well as sugar, salt, cigarettes, and so forth, became the founders of Medeya.

Meanwhile, we were day-dreaming: Wholesale suppliers will begin to compete among themselves and prices will drop. Therefore, all of us will buy only where it is cheaper.

However, the irrational life of our transitional period dictates its harsh laws. The main one is that our official will not give his monopoly power over distribution to anyone—in any case, not for nothing. Therefore, the long-awaited competition for the good of the customer does not exist and, thanks to Medeya, it is unlikely that it will exist. And no matter what you, the president, do with your orders to liquidate republican, city, and rayon auctions, the cause of Rosoptprodorg or, for example, of Mosmyasomoltorg lives and triumphs as before.

Have you noticed that nothing has been heard about them recently? But not so long ago all you could read in newspapers were reports on judicial proceedings concerning trade bigwigs. Do you think that all these memorable losses due to shrinkage and scattering have stopped? Or that bribes are not taken in trade now? Of course, everything is possible in this world. Only, in my opinion, this quiet is due to something quite different. Any noise would hinder the main cause of trade officials—the successful establishment in the Moscow region of a powerful monopoly structure controlling the entire food market.

And not only controlling, but really holding millions of Moscow residents by their throats. Because this supermonopolist will always set prices in its own favor literally at the limit of human capabilities. And for many, even beyond this limit.

Please tell me, where should a solitary old woman go except to her own bakery? But this bakery receives all Moscow bread—and, incidentally, flour as well—through Moskhleboprodukt, which is Medeya's shareholder. This office has no competitors. Therefore, I do not quite believe the calculations pointing to the need for a permanent increase in prices of bread and flour products. After all, the monopolist, who with his teeth holds on to the title of honor of a model Communist enterprise, presents them and, of course, in his own interests.

There is the same picture in another shareholder of Medeya—Mosmyasomoltorg. All the meat and sausages belong to it. Nor is the situation in the fish, tobacco, and sugar business better. In one word—monopoly.

Of course, it is unlikely that any reader would understand me if I declared that everything that was taking place was a terrifying mystery to those who were called upon to make sure that there was order in such matters. I have in mind law enforcement bodies, the Antimonopoly Committee, and the tax department. Well, they did not close their eyes at the sight of this economic nightmare, which quite possibly also provokes a social explosion to the joy of the red-brown. Although, perhaps, they did. After all, a certain connection is seen between the actions and the inaction of the mentioned organizations.

For example, how did this supermonopoly Medeya bypass the Antimonopoly Committee? After all, the law clearly states that any enterprise, the capital of which exceeds 50 million, should be demonopolized, that is, at least be split up for the purpose of creating conditions for competition among its former units. Nothing of the kind. I am told: What kind of monopoly is Medeya if the capital's vegetable and food depots plus refrigerators were appraised... at only 1,180,000 rubles? Even Zhiguli are more expensive. So, the Antimonopoly Committee seemingly has nothing to do here. And it does nothing.

For those who think that such economic-bureaucratic boorishness makes no difference to customers, I will cite a part of one of the documents of the investigation that almost started "It is noteworthy," it states, "that the transformation of major state trade enterprises into joint-stock companies occurs without their preliminary privatization. The approved charter of Medeya contains the right of this joint-stock company to set prices independently. Taking into consideration that founders work in one food sector, know each other well, and can always come to an agreement on matters of price policy, conditions for the establishment of monopoly in price formation, in fact, are created. This circumstance without fail puts retail trade in a subordinate position. For example, directors of refrigeration combines, fulfilling Medeya's decision, or simply coming to an agreement with each other, will hold the price of meat at the limit of customer demand. In connection with the absence of any competition among wholesalers retail trade is deprived of the right of choice."

I can add to this that, according to its own charter, Medeya received a strong additional lever of pressure on stores—through the establishment of its own trade network, which, for example, in meat is successfully displacing all the other trade structures, which still remain from the general Moscow market being formed.

More about Medeya's charter. All the 11 cofounders own the controlling block of its shares (55 percent). And each of them is a manager of a large state apparatus structure. He has fed Moscow "successfully" to this day. It is not difficult to imagine with what consequences the establishment by him of an "associate" monopoly giant on the wholesale food market is fraught.

It is clear that all this was well understood in the subdivision of the Moscow Administration of Russia's Ministry of Security, which was called upon to fight against economic crimes. I telephoned a number of its workers and they indirectly confirmed: Yes, there was such a case. Several people with a stroke of the pen instantly became multimillionaires at the expense of the state.

"So what of it?" I ask.

"Nothing," they answer. "It would be better if you talked with our superiors."

As it turned out, the managers of the security service did not have the faintest idea about this. However, not all. As it turned out, Yevgeniy Savostyanov, chief of the Moscow Administration of Russia's Ministry of Security, having received the appropriate report, was outraged and transferred it to Moscow's official structures. It is not difficult to imagine the result. The matter died away and it was reported to Ye. Savostyanov that Medeya was returned to the municipal fold, that is, that this illegal supermonopoly was liquidated. Even the manager of the capital's security service does not know this yet. Well, let us hope that this will make things easier for the customer.

However, long before such a relief the detectives of Russia's Ministry of Security received a slightly veiled directive from one of the managers of the economic subdivision "to occupy themselves with more serious matters." What were they to do? They had to fulfill it because in this department it is as in the East: One Allah in Heaven—one chief on earth. However, this Allah-like chief cannot be made accountable. After all, he did not give a written directive and, moreover, having given it orally, he right away changed to a very lucrative—payola—job in another department. I wish I could find him and ask him what he understood by the word "corruption" or, for example, "mafia."

Meanwhile, the cofounders of Medeya prosper under the umbrella of the economically incompetent, if not worse than that, market and service department. To it they keep the obligations "concerning the realization of its orders and instructions connected with the delivery of food products to the region, including centrally allocated stocks and resources." This indicates none other than full control over food supply for Russia's capital. Moreover, by approving Medeya's charter, in fact, the capital's authorities voluntarily or not gave its shareholders the opportunity for a fearless transfer of the vast capital from founding state organizations (that is, food trade organizations and depots) to their own pockets.

An interesting detail. The documents received by the editorial department in such an unusual manner are several months old. A check confirmed their authenticity and correspondence to the truth. Today however, no one begins to confirm or deny the statement that it is precisely Medeya that reigns at the ball in Moscow. Ye. Savostyanov, chief of the Moscow Administration of Russia's Ministry of Security, at the request of the editorial department undertook to get at the truth. I think that nor will the Moscow government, which announced a restriction of

monopoly activity on the consumer market and the establishment of a ramified network of wholesale trade, renounce this. According to the municipal council, privatization stores should also use it freely.

Only what freedom is here if the expanded Medeya brings both buyers and sellers to their knees? And what does better compromise the very idea of "small-scale" privatization? What will prevent the founders of the joint-stock company from holding private merchants by their throats, demanding from them not only respect, but also regular tributes? Then everything will again return to the previous situation and, as before, investment in the official will remain the best investment in our country.

As the saying goes, let the hand of the giver not dry up and let the hand of the taker not wither. At your expense and ours.

#### Poll on Muscovites' Opinion of Chechen Problems

934C04331 Moscow NEZAVISIMAYA GAZETA  
in Russian 21 Nov 92 p 6

[Article by Pavel Koltsov. "The 'Chechen Problem' in the Eyes of Muscovites. Educated Citizens Most Often Feel Enmity, but Majority Hopes for Peace"]

[Text]

#### Opinion Poll

The capital of Russia, being a multinational megapolis, for this very reason became a central sphere of interethnic tension, which incidentally it had managed to conceal for quite a number of years. The reason is that the absolute majority of the population in Moscow is composed of Russians, and two-thirds of Muscovites believe that for them there are no problems of an ethnic nature (only 20 percent, according to data from the Opinion [sic] Center for Study of Public Opinion at MGU [Moscow State University], believe that their interests are hurt).

Nevertheless, the "opinion gap" in Moscow has not bypassed the citizens of the capital. It appears that most citizens are living in a state of uncertainty and apprehension.

May the present feelings of enmity toward Chechens at first derived not from the media but such as speak from the criminal Taylor, are so strong among them that even before the confrontation which arose after the Chechens gained sovereignty, criminal Chechen structures were dispersed in Russia and elsewhere in the capital, which had a marked influence on the crime situation. One way or another, today a "mafia" program exists not only for the politicians and the military, but also for the citizens. How it appears to them is what the poll-takers at the aforementioned Opinion Center in a study of Public Opinion decided to clarify, they therefore conducted a telephone poll of 1,000 random selected respondents from 21 through 30 October.

As a result they were able to clarify that out of 100 people questioned, 32 have no ethnic attitude toward Chechens at all, 22 have a positive attitude, but 40 have a negative attitude. At the same time, 44 percent of Muscovites

acknowledge that they received the information which influenced their attitude from the press, and 41 percent from TV programs. Only 6.0 percent of Muscovites polled had visited the homeland of the heroes, and the number who returned with good impressions exceeds that of the former by a factor of 1.5.

The majority of those negatively-disposed toward Chechens are people with higher education; next come those with incomplete higher education, secondary, and incomplete secondary education.

Sixty-three percent of the respondents noted that, in their opinion, Chechens are particularly distinguished by their warlike nature. Respondents most often made the following word-associations with the word "Chechen": mafia (46 percent), entrepreneurial ability (51 percent), and cruelty (58 percent). Nevertheless, 60 out of 100 persons polled were not opposed to having a Chechen as a neighbor, 62 as colleagues, and 42 to be linked with them by family ties.

As already stated, the present enmity is explained primarily by the crime situation. However, recently the political factor comes to the forefront most often. In this sense it is especially interesting to note that 54 percent of the respondents are favorably-disposed toward the idea of the withdrawal of Checheniya from the Russian Federation. That is more than those who spoke in favor of independence for the Trans-Dnieper Region (42 percent) and Abkhaziya (45 percent).

Thirty-seven out of 100 people polled laid the blame for the present tensions on the Chechen leadership, 20 on the Russian Government, seven on the President of Russia, and a similar number on the Supreme Soviet and mafia structures.

In response to the question, Who is capable of finding a way out of the crisis, they answered as follows: the President, 15; the Government, 15; ordinary people, seven; the leadership and president of Checheniya, five; the Supreme Soviet of Russia, three; while a like amount place their hopes on patriotic forces.

Concerning ways to resolve the conflict, 29 persons [of 100] were unable to answer, 23 believe that it will go on for many years; the majority, 34, believe that everything will be decided by peaceful means, and a minority—14—is convinced that a real war may break out at any moment.

## INTERNATIONAL AFFAIRS

### Limits on Foreign Banking Activity Proposed

**Parliament Debates Changes to Banking Law**  
934A0342A Moscow KOMMERSANT DAILY  
in Russian 19 Nov 92 p 2

[Article by Viktor Serov: "Foreign Banks Have Been Spared Disfavor So Far"]

[Text] Not only bankers, but also all prominent businessmen closely followed yesterday's discussion of amendments to banking legislation. The businessmen were concerned about the proposed restrictions on the operation of foreign banks on the territory of Russia. The bankers hoped that the legislators would "rein in" their foreign competitors. The Supreme Soviet reassured the businessmen by failing to pass the amendments, whereas bankers were reassured by the management of the Central Bank, which stated that foreign banks are not competitors to domestic banks, at least not inside Russia.

Yesterday, the Supreme Soviet postponed the adoption of amendments to a decree on procedures for the enactment of the laws "On the Central Bank of the Russian Federation" and "On Banks and Banking." The amendments envisaged a moratorium on the issuance of licenses to foreign banks to perform operations in Russia until the end of 1993. As was promised our readers in yesterday's issue, KOMMERSANT is publishing an article about this event today.

As Aleksandr Pochinok, chairman of the Supreme Soviet Commission for the Budget, Plan, Taxes, and Prices, presented the draft of the relevant decree to the parliament for discussion, he particularly stressed the need to view this issue as "a most complex one, the response to which has been mixed throughout the country." In Pochinok's opinion, the complexity of the situation is due to considerable financial resources which may be used by foreign banks on the territory of Russia to the detriment of the interests of domestic banks. In his words, this will bring about "our having no foreign exchange next year." The situation could be improved by measures to be taken by the Central Bank, which, having revised or revoked the already issued licenses, would impose restrictions on the operation of foreign banks.

However, in outlining the position of the Central Bank, Viktor Gerashchenko stated that apprehensions of Russian private financial structures concerning the appearance of a more respectable and better prepared competitor are largely the reason for the draft. As was indicated in a statement distributed to deputies, the Central Bank, for its part, is categorically against the imposition of any restrictions on the operation of foreign banks. In its opinion, it may result not only in an abrupt outflow of investment, but also in sanctions against Russian banks operating abroad. Viktor Gerashchenko announced that it is planned to introduce, before the end of 1992, rules which regulate the operation of foreign banking establishments in order to prevent the transfer of foreign exchange funds abroad. These rules call for the use of restricted licenses for banking operations, which would give foreign banks the right to acquire borrowed funds on the Russian market only from banking structures, and from other organizations—if the share of foreign participation in their capital does not exceed 50 percent.

After a single deputy failed to come out in favor of the draft, speaker of the parliament Ruslan Khasbulatov (in coordination with Aleksandr Pochinok) postponed its consideration indefinitely. KOMMERSANT intends to give additional details on 25 November.

**Western Banks' 'Monopoly' Position Scored**

934.40342B Moscow KOMSOMOLSKAYA PRAVDA  
in Russian 25 Nov 92 p 2

[Article by S. Razin: "Should Moscow Be Surrendered to the French Yet Again, Even if They Come to Us With Loans Rather Than With the Sword?"]

[Text] Russian bankers are raising the alarm any way they can. In their opinion, Russia may very well turn into a raw-material colony of the West and be stuck in the Third World forever. This sad result may be produced by the parliament, which opened direct financial intervention by the largest foreign banks.

One of them, the world-renowned bank Credit Lyonnais (Paris is its "port of registry"), was granted a license to operate in Russia by the Central Bank as long as a year ago. To be sure, it was filed away for almost a year, but now Western bankers have gotten down to work with vigor: An office of Credit Lyonnais is opening in St. Petersburg; the Austria Bank has already established itself in Moscow; financial tycoons from many countries—the United States, Germany, South Korea—have lined up for "entry visas." I believe that the Dresdner Bank, Citybank, and other "business sharks" need no recommendations. Any citizen of Russia will take his meager dollars to them for safe-keeping with great pleasure: They are not going to be lost there.

Of course, we could be wholeheartedly happy for our fellow citizens who own currency. However, what will such complaisance of foreign banks result in, as far as the state is concerned? There are different views on this. Some deputies believe that financial intervention is nothing but a boon: This includes excellent service for clients, healthy competition, and mainly, an unending stream of investment in our frail industrial sector. Indisputably, this is an attractive prospect. However, why do we still not have this stream, despite a "moving allowance" of \$24 billion having been promised to Russia for all the world to hear? Should we forget these funds?

At present, Gaydar does not like to recall the promises of the "Big Seven." Apparently, there is some political reason to do this. However, who is standing in the way of private Western bankers investing dollars in our economy right now, without any licenses, by mutual agreements with specific enterprises? Russian plants are oppressed by a shortage of major investment. It is all the more so because there have been precedents. Western financiers have eagerly accommodated us with regard to certain projects. Let us look at, for example, the Shtokmanovskoye gas field: Several banks from the United States and Taiwan at once are prepared to extend credit of \$5 billion to Russian partners, and in the course of this do not intend to have Russia occupied by their branches. Why would the already mentioned Credit Lyonnais be reluctant to send its financial assistance from far away in the same manner?

Everything will become as clear as can be if we take into account the fact that our citizens have got the hang of earning foreign exchange well. As they say, necessity is the mother of invention: We have shuttle business tours "over

there," foreign tourism, leasing of dwellings for foreign exchange, growing exports, and even newspaper honoraria in certain publications! Experts maintain that in Moscow and St. Petersburg alone, about \$3 billion has been accumulated by the populace. I think that this statistic is no limit, either. Anybody who has any spare rubles at all strives to invest them in foreign exchange in order to shelter himself from inflation!

This is the trick! Credit Lyonnais intends to be the first one to skim the cream and assert its monopoly, replicating its own triumphant procession through Russia more than 100 years ago. As early as 1879, this French bank vanquished its competitors from Moscow and St. Petersburg in a struggle for the mass customer. Such well-known industrialists of prerevolutionary Russia as Morozov, Mamontov, and Tretyakov considered this bank to be the only one worthy of their level. It is possible that monopolistic banking practices were not the least important factor in the excessively slow development of capitalism in Russia, which led, as a consequence, to the October coup.

Could history repeat itself? I hope that it will not come to another coup and dictatorship of the proletariat, but there is a realistic chance that market reforms will be slowed down. The logic of this is murderous: If the scope of intervention by Western banks becomes extensive at the hand of the parliament, all foreign-exchange profits of citizens, to a penny, will flow out of Russia.

For more than a year, a fuss has reverberated concerning some of our jacks-of-all-trades skillfully concealing a great many dollars abroad—as it turned out, about \$1.5 billion. Of course, it is a pity not to have this money; however, tens of billions of dollars will flow out of poor Russia through Credit Lyonnais and other monsters.

This is beyond a doubt. Turning money around quickly and obtaining good profits are the main objectives of all banks. It is precisely for this reason that Western capital is in no hurry to invest in Russia. Alas, recoupment will not be swift. Therefore, Credit Lyonnais, like a pump, will begin siphoning currency out of our citizens, but it will certainly wish to invest it at very different locations. The selection is extensive: America is having an economic crisis of its own; Germany is having problems with the eastern lands, and there is stagnation in industry in South Korea and, strange as it may be, their native France. Everybody needs money at present! If you want to help the West, you can give your last shirt. However, the war of the banks is not fought over depositors alone.

Money means power. There is a reason why the Bolsheviks established their control over banks first of all. What is the parliament seeking to accomplish, as it yields to the lobby of foreign financiers and dooms its own to rout? It may very well so happen that the banking system of Russia will be subordinated...to a few presidents of foreign states at a time. Our government will not be able to adjust flows of foreign exchange investment in its own industry. It is also quite clear where this flow will rush. Even if the already mentioned Credit Lyonnais finances some Russian

projects, it will primarily be those which are unacceptable in France for ecological or other considerations.

Fortunately, financial intervention may still be stopped. The Association of Russian Commercial Banks introduced in the parliament an amendment to the law "On Banks and Banking." The essence of the amendment is: Impose a moratorium on the registration of foreign competitors for at least one year. Our merchants are not asking for anything supernatural: Precisely the same amendments have applied in all developed countries. Japan lifted similar restrictions as recently as a few years ago, and Spain—just a few months ago. A ban is still in effect in the United States and Germany. Banks from other countries may not build up an extensive chain of branches "in emigration." The entire world has taken into account the sad experience of Russia in 1879, when the French Credit Lyonnais smashed the national financial system to pieces. Alas, the parliament does not even want to know the history of its own country.

The amendment submitted by Russian merchants has already been discussed in the Supreme Soviet, but the debate has produced nothing so far. The Russian Central Bank staunchly rose to the defense of foreign banks.

What is happening in our country of miracles? Observers are considering two versions. According to the first version, corruption among officials is to blame for everything; according to the second, big-time politics is a factor in this. The sharpest-witted of our patriots, hungering for revenge against the democrats, have resolved to deal with the reformers in a refined manner. There is no argument, the scheme is intricate: Let us strangle the banks with someone else's hands, and reforms will die themselves! For the sacred goal, even the Motherland may be sold out.

What about Gaydar? Alas, the prime minister has been silent so far, and he will remain so in the future. He has no chance [to] come out against Credit Lyonnais and other foreign banks; they will not give us foreign exchange for grain or medicines otherwise. However, as people in the know ascertain, Gaydar has given our merchants the blessing to continue war against Western financial interventionists and their meetings with the Russian business circles at the Monastery of St. Daniel.

#### Incidentally...

There has been a lull at the Moscow Interbank Foreign Currency Exchange. At yesterday's trading session, the exchange rate of the dollar went up by only 2 rubles [R], and came to a round number: R450 per dollar.

The luck of foreign exchange money changers in the streets of Moscow may differ; between R440 and R470 may be offered per cash dollar. Everything depends on how thick the stack of green banknotes, converted into our native "wooden" rubles, is.

In the opinion of a number of experts, the exchange rate of the ruble against foreign currencies will stabilize in the immediate future. This projection is based on the fact that the Central Bank got new reserves for increasing foreign

exchange tribute from exporters and a more massive dollar intervention at exchange trading, so story.

#### Decree on Licensing, Quotas on Export, Import of Goods

##### Text of Decree

935D01204 Moscow ROSSIYSKIE TESTI in Russian  
17 Nov 92 p 6

[Russian Federation Decree No. 854 "On Licensing and Setting Quotas on Export and Import of Goods (Work, Services) on the Territory of the Russian Federation" signed by Ye. Gaydar on 17 Nov 92 in Moscow]

[Text] For purposes of implementing state control over foreign economic activity in the Russian Federation as provided by the Russian Federation law "On Duties of Products and Goods for State Needs," for the continued development of a unified mechanism of regulating foreign economic activity on the territory of the Russian Federation, and for ensuring the fulfillment of the Russian Federation's international obligations, the Russian Federation Government has decided:

1. As of 1 January 1993, to establish a unified procedure for licensing and setting quotas for export and import of goods (work, services) on the territory of the Russian Federation, including the following CIS countries: Azerbaijan, Georgia, Armenia, Turkmenistan.

The procedure for licensing and setting quotas on export and import of goods established by the present decree extends to a state of the economic activity on the territory of the Russian Federation, regardless of their forms of ownership, and to foreign legal entities registration, with the exception of the cases specified by Russian Federation legislation, as well as by Russian Federation international obligations.

##### To ratify

- the statute regarding the procedure for licensing and setting quotas for export and import of goods (work, services) in the Russian Federation, in accordance with Appendix No 1
- the list of goods whose export is performed under license and within the volume of the established quotas, in accordance with Appendix No 2
- the list of specific goods (work, services) whose export is performed under license in accordance with Appendix No 3
- the list of specific goods (work, services) whose import is performed under license, in accordance with Appendix No 4
- the list of goods whose import is performed in the order determined by the Russian Federation President and the Russian Federal Government in accordance with Appendix No 5

2. The Russian Federation Ministry of Atomic Energy in conjunction with the Russian Federal Service for Control of Nuclear and Radiation Safety, by January

Federation Ministry of Foreign Economic Relations and other interested ministries and departments shall submit for ratification to the Russian Federation Government by 15 November 1992 the procedure for export and import of nuclear materials, technology, equipment, installations, special non-nuclear materials, sources of radioactive radiation and isotope products.

3. The Russian Federation Committee on Precious Metals and Precious Stones, in conjunction with the Russian Federation Ministry of Foreign Economic Relations and other interested ministries and departments, shall submit for ratification to the Russian Federation Government by 1 December 1992 the procedure for export and import of goods containing precious metals and precious stones.
4. The Russian Federation Ministry of Health, in conjunction with the Russian Federation Ministry of Internal Affairs, the Russian Federation Ministry of Security, the Russian Federation Ministry of Foreign Economic Relations and other interested ministries and departments, shall submit for ratification to the Russian Federation Government by 15 December 1992 the procedure for export and import of narcotic and psychotropic substances and poisons.
5. The limitations on import and export of goods (work, services) not included in Appendix No 2 to the present resolution shall be established by the Russian Federation Government upon presentation of the Russian Federation Ministry of Foreign Economic Relations and the Russian Federation Ministry of Economics.

The Russian Federation Ministry of Economics, in conjunction with the Russian Federation Ministry of Foreign Economic Relations and with consideration of the economic situation, shall be allowed to exclude individual goods classifications from the list of goods specified in Appendix No 2 of the present resolution.

6. The Russian Federation Ministry of Economics, in cooperation with the Russian Federation Ministry of Foreign Economic Relations and other interested ministries and departments of the Russian Federation shall prior to 15 November 1992 establish quotas for the export of goods in 1993, as listed in Appendix No 2 to the present resolution.

The established export quotas shall prior to 25 November 1992 be forwarded by the Russian Federation ministries and departments to the manufacturing enterprises and executive agencies of state power of the republics within the make-up of the Russian Federation, the krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg.

7. The issuance of licenses for export and import of goods (work, services) listed in Appendixes No 2-5 of the present resolution shall be performed by the Russian Federation Ministry of Foreign Economic Relations.
8. The export and import of medicinal substances shall be performed on the basis of permits issued by the Russian Federation Ministry of Health.

Within a month's time, the Russian Federation Ministry of Health must, in conjunction with the Russian Federation Ministry of Foreign Economic Relations and the Russian Federation State Customs Committee, develop and ratify the procedure for import and export of medicinal substances.

9. The Russian Federation Ministry of Foreign Economic Relations shall provide for the administration of a single federal data bank on issued licenses and for presentation of the corresponding information to the Russian Federation Ministry of Economics, the Russian Federation State Customs Committee, and any interested ministries and departments of the Russian Federation.

The Russian Federation Ministry of Foreign Economic Relations, in conjunction with the Russian Federation Ministry of Finance, must within a month's time submit proposals to be introduced to the Russian Federation Supreme Soviet on establishing the amounts of payment to be collected for the issuance of licenses and formulation of certificates, keeping in mind that the collected sums must compensate the budget fund expenditures of the Russian Federation Ministry of Foreign Economic Relations for operating the automated systems managing the republic data base on the issued licenses and certificates, for purchasing computer technology and means of communications, for leasing communications channels, buildings and facilities, for developing and acquiring software, and for providing material incentives to workers.

10. The export from the Russian Federation of goods listed in Appendix No 2 to the present resolution through agreements on international cooperation of production, as well as through agreements on processing the customer's raw material, shall be performed without any quantitative limitations in accordance with the procedure defined by the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation State Customs Committee, and interested ministries and departments of the Russian Federation.
11. Enterprises belonging entirely to foreign investors, as well as joint enterprises whose charter fund is comprised of over 30 percent in foreign investments, shall export the products of their own production as specified in Appendix No 2 to the present resolution in accordance with the effective legislation, with the exception of cases provided by international agreements in effect on the territory of the Russian Federation.

The Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Economics, and the Russian Federation State Customs Committee, with the participation of interested ministries and departments of the Russian Federation, as well as the Russian Federation Chamber of Commerce and Industry, shall within two month's

time submit to the Russian Federation Government a proposal on the procedure for defining the products of their own production supplied for export.

The export and import of other goods (work, services) are performed by all enterprises with foreign investments on general principles.

12. Control over the export from Russian Federation territory and the import onto Russian Federation territory of licensed goods shall be implemented by the Russian Federation State Customs Committee.

13. Transport-expediting enterprises, organizations and citizen-owners of transport means shall not accept for shipment beyond the boundaries of the Russian Federation any goods which do not have the appropriate accompanying documents and permits issued by the Russian Federation customs agencies.

The Russian Federation Ministry of Internal Affairs and the Russian Federation Ministry of Security shall perform random checking of transport means in order to control and prevent the export of goods from the territory of the Russian Federation without the permission of the Russian Federation customs agencies.

Legal persons and citizens transporting cargo beyond the boundaries of the Russian Federation without the permission of the customs agencies bear responsibility in accordance with the effective legislation.

14. Violation of the established procedure for export and import of goods (work, services) entails responsibility as provided by the effective Russian Federation legislation.

15. The Russian Federation Ministry of Justice, in cooperation with the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Internal Affairs, the Russian Federation Ministry of Security, and the Russian Federation State Customs Committee, shall within a month's time submit proposals to the Russian Federation Government on establishing criminal and administrative responsibility for violating the procedure for licensing and setting quotas for export and import of goods (work, services) on the territory of the Russian Federation as provided by the present resolution.

16. The Russian Federation Ministry of Justice shall within a month's time submit to the Russian Federation Government a list of normative statutes which have been voided in connection with the adoption of the present Russian Federation Government resolution.

#### Appendices to Decree

935D0120B Moscow ROSSIYSKIYE VESTI in Russian  
17 Nov 92 p 6

[Appendices to Russian Federation Government Decree No. 854 dated 6 November 1992]

[Text]

#### Appendix No 1

##### Statute on the procedure for licensing and setting quotas on export and import of goods (work, services) in the Russian Federation

1. The present statute defines the procedure for setting quotas and licensing export and import of goods (work, services) in the Russian Federation and extends to all subjects of economic activity, regardless of their forms of ownership, affiliation and place of registration, with the exception of cases specified by the legislation and international agreements of the Russian Federation.
2. A single regimen of setting quotas and licensing is in effect on the territory of the Russian Federation, based on the standardized lists of licensed goods presented in the appendices to the present decree, as well as a unified system of setting and distributing quotas and issuing licenses. The general quotas for export of goods (including quotas for state needs, quotas for enterprises, regional quotas and quotas for auction sale) are set by the Russian Federation Ministry of Economics in cooperation with the appropriate ministries and departments of the Russian Federation, based on the predicted balances of production and consumption of the licensed goods.
3. The general export quotas for goods (including quotas for state needs, enterprise quotas, regional quotas, and quotas for auction sales) are established by the Russian Federation Ministry of Economics, in accordance with the corresponding ministries and departments of the Russian Federation based on predicted balances of production and consumption of the licensed goods.

The quotas for state needs provide for the export of goods in fulfillment of the Russian Federation's international economic obligations.

Export quotas for state needs are set by the Russian Federation Ministry of Economics and are announced to the Russian Federation Ministry of Foreign Economic Relations, which together with the ministries and departments of the Russian Federation organizes the allocation of orders at manufacturing enterprises.

General export quotas of enterprises, except for export quotas for state needs (if necessary with breakdown by countries) are set by the Russian Federation Ministry of Economics and announced by it to the appropriate Russian Federation ministries and departments, which allocate them to goods producers based on the predicted balance of their production and consumption, as a rule in percentages of the overall volume of exported products.

The general volumes of regional quotas are set by the Russian Federation Ministry of Economics and announced to the appropriate Russian Federation ministries and departments, which organize their allocation and breakdown by regions (republics within the make-up of the Russian Federation, krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg) on whose territories the production of the said product is

performed, with subsequent reporting to the Russian Federation Ministry of Economics and Russian Federation Ministry of Foreign Economic Relations. The products obtained by the regions as payment for use of the subsoil, the water basins and areas of the ocean floor may be sold by them for export within the limits of the established export quotas. The allocation and procedure for utilization of quotas, including for export, on oil and petroleum products is performed in accordance with Russian Federation Presidential Edict No. 151 of 17 February 1992.

The realization of quotas on oil and petroleum products by regional organs of state administration is implemented through oil drilling and oil refining enterprises—the producers of the indicated products.

Quotas on auction sales are determined by the Russian Federation Ministry of Economics with the participation of interested ministries and departments of the Russian Federation and are reported to the Russian Federation Ministry of Foreign Economic Relations based on the real formulated balance of production and consumption. The formulation of quotas is performed with mandatory indication of the codes of state regional classifiers of the ministries (departments) and the enterprises manufacturing the goods, and in accordance with the Commodity Nomenclature for Foreign Economic Activity (TN VED), second edition, Moscow, 1992.

4. In auction sale, export quotas are confirmed by certificates. The formulation and sale of certificates is performed in the order established by the Russian Federation Ministry of Foreign Economic Relations. The following may present quotas for auction sale:

- Russian Federation Ministry of Foreign Economic Relations—quotas reported to the ministry for auction sale;
- regional agencies of state administration—regional quotas;
- enterprises—enterprise quotas.

The proceeds from auction sale of quotas are distributed as follows:

- if sold by the Russian Federation Ministry of Foreign Economic Relations—to the Russian Federation republic budget;
- if sold by regional agencies of state administration—to the appropriate budgets;
- if sold by enterprises—to the enterprise income.

Quotas (confirmed by certificates) acquired at auctions may be re-sold by their owners, with the proceeds from the resale going to the seller's income.

5. Licenses are issued by the Russian Federation Ministry of Foreign Economic Relations to subjects of economic activity registered on the territory of the Russian Federation, regardless of the forms of their ownership.

Issued licenses are not transferable to other legal persons. Grounds for issuance of licenses may be:

- for goods on which there are quotas in accordance with Appendix No 2—a document confirming the delivery of goods towards this quota, allocated in the established order, or an acquired certificate or agreement for delivery of goods (if the exporter is a middleman organization);
- for specific goods (work, services) in accordance with Appendices No 3 and 4—the decision of the appropriate Russian Federation ministry or department.

In all cases, a necessary condition for issuance of a license is the presentation of a signed or stamped contract. Upon change in the basic conditions of the contracts, the issued licenses are subject to reformulation.

In the export of strategically important raw material goods, licenses are issued by the organizations registered by the Russian Federation Ministry of Foreign Economic Relations for these purposes. A signed contract with a foreign customer held by subjects of economic activity without the appropriate quotas, certificates or decisions of organizations granting them the right to export and import goods specified in Appendices No. 2-5 to the present decree does not constitute sufficient grounds for obtaining a license.

Payment is collected for issuance of licenses and formulation of certificates in accordance with the established procedure.

6. Licenses are issued on the basis of applications submitted on standard forms in accordance with the instructions ratified by the Russian Federation Ministry of Foreign Economic Relations. Responsibility for the accuracy of information presented in the application for issuance of a license is borne by the applicant organization.

Applicants may be issued general or one-time licenses, in accordance with the procedure defined by the Russian Federation Ministry of Foreign Economic Relations.

7. Licenses are issued for one type of goods, regardless of the number of goods descriptions included in the contract. In individual cases, issuance of a general license for several types of goods is permitted, provided that they are classed in a single commodity subgroup according to the TN VED.

8. General and one-time licenses constitute permits for export or import of goods within the specified time periods. A general license is issued to the applicant for a term of one calendar year for performance of export or import operations on product deliveries for state needs. Export or import operations under a general license may be performed for one or several deals.

A one-time license is issued to the applicant for a term of up to 12 months for the purpose of implementing export or import operations for each individual deal. The order of determining the term of effectiveness of

one-time licenses for the export of oil and petroleum products is set by the Russian Federation Ministry of Foreign Relations in conjunction with the Russian Federation Ministry of Fuel and Power Resources and the Russian Federation State Customs Committee. At the motivated request of the applicant, the term of effectiveness of the license may be extended. In this case, a written confirmation of extension of the license's term of effectiveness is provided.

9. The regional officials of the Russian Federation Ministry of Foreign Economic Relations make the decision to issue licenses no later than 25 days from the date of receipt of the application.
10. Grounds for refusal to issue a license may be an improperly completed application, or the reporting of false information about a deal, dumping price or other condition of a contract whose effect is detrimental to the economic interests of the Russian Federation. The decision of refusal to issue a license must be motivated and the applicant must be informed of it in written form.
11. Exporters may perform shipment of goods for export after the license has been issued.
12. In case of violation of the present Statute or emergence of circumstances leading to a detrimental effect upon the economic interests of the Russian Federation or stemming from the responsibilities of the Russian Federation on international agreements, the Russian Federation Ministry of Foreign Economic Relations has the right to suspend or annul the issued licenses. Disputes arising on these questions are reviewed in the order established by Russian Federation legislation.
13. Upon violation of the present Statute, subjects of economic activity bear responsibility in accordance with the effective legislation of the Russian Federation.

### Appendix 2

#### List of goods whose export is performed under licenses within the volume of established quotas

Brief description of goods	TN VED Code
Fish and fish products	0301 (except 030110); 0302-0307; 1604; 1605
Crude oil (including gas condensate)	2709
Products of oil refining	2710; 2713; 271210100 - 271210900
Oil gases and other hydrocarbons (rarefied)	-271112110271119000
Hydrocarbon raw materials (benzene, aniline, phenol, styrene, methanol)	290220; 292141; 290711; 290250; 290511
Natural Gas	271111000, 271121000
Coking coal (including charge), coke	270112100, 270112900, 2704
Nonferrous metals and raw material for their production and their alloys, powders, semi-finished products, and nonferrous metal rolled stock	2603, 2604 - 2611, 2613 - 2615; 2805, 7401 - 7411; 7501 - 7508; 7601 - 7610; 7612; 7801 - 7804; 7901 - 7905; 8001 - 8007; 8101 - 8113
Sulphur	2503
Apatite	2510
Ammonia	2814
Synthetic rubber	4002
Mineral fertilizers	3102 - 3105
Commercial timber (only coniferous varieties and pulpwood)	4403, 4404
Wood sleeper ties	4406
Lumber materials	4407 - 4409 (except for 440721 - 440723, 440820)
Cellulose	4702 - 4704

### Appendix 3

#### List of specific goods (work, services), whose export is performed under licenses

Brief description of goods (work, services)	TN VED Code	Russian Federation ministries and departments making decision to issue license
Wild animals (including live crustaceans), wild-growing plants, bones of excavated animals, ivory, horns, hoofs, coral and analogous materials	(010119900, 010290900, 010391900, 010392900, 010410900, 010420900, 010600910, 010600990); only wild animals, 030110, 0407 (except eggs of domestic poultry); 0507; 0508, 0604, 070951 - 070952; 071080600; 071230000, 080221000, 080222000, 0810 - 0812; 121220000, 1301, 1302, (except 130219300), gr. 14, 9601	Russian Federation Ministry of Environmental Protection and Natural Resources and its territorial agencies in the republics within the make-up of the Russian Federation, krais and oblasts
Medicinal raw materials of plant and animal origin	gr. 14, 9601; 0507; 0510, 1211, 1302 (except 130219300); 121220000; 3001; 3002, 020610100, 020622100; 020629100, 020630100; 020641100; 020649100, 020680100; 020690100	Russian Federation Ministry of Environmental Protection and Natural Resources with Russian Federation Ministry of Health
Collection materials in mineralogy and biology	9705 (except for numismatics)	Russian Federation Ministry of Environmental Protection and Natural Resources and its territorial agencies in the republics within the make-up of the Russian Federation, krais and oblasts

**List of specific goods (work, services), whose export is performed under licenses (Continued)**

Brief description of goods (work, services)	TN VED Code	Russian Federation ministries and departments making decision to issue license
Information on subsoil regions by rayons and deposits of fuel-energy and mineral raw material located on the territory of the Russian Federation and within the limits of the continental shelf and the marine zone		Russian Federation Ministry of Environmental Protection and Natural Resources in cooperation with the appropriate Russian Federation ministries

**Appendix No 4****List of specific goods (work, services) whose import is performed under licenses**

Brief description of goods (work, services)	TN VED Code	Russian Federation ministries and departments making decision to issue licenses
Chemical means of plant protection	3808 (only preparations for plant protection)	Russian Ministry of Agriculture
Industrial by-products	2618 - 2620; 3915	Russian Federation Ministry of Environmental Protection and Natural Resources

**Appendix No 5****List of goods whose export and import is performed under licenses in the order defined by the Russian Federation President and the Russian Federation Government**

Brief description of goods	TN VED Code
Arms and military technology, special complement goods for their production, work and services in the sphere of military-technical cooperation	8710; 8802 (except. 880211100, 880212100, 880220100, 880230100, 8802401000; 8803 (except. 880310100, 880320100, 880330100, 880390910); 8805 (except. 880520100), 890600100, 9301, 9302, 9305 (only for combat weapons), 9306 (except. 930610000, 930629100, 930629200, 930629400, 930630910, 930630930), 901310000, 901320000, 901380000, 901400000, (only military designation), 8526 (only military designation);
Gunpowder, explosive substances, explosives and pyrotechnics	3601 (except gunpowder for hunting), 3602 - 3604
Nuclear materials, technologies, equipment and installations, special nonnuclear materials, sources of radioactive radiation, including radioactive waste	2612; 2844, 2845, 8401
Precious metals, alloys, goods made from them, ores, concentrates, precious metal scrap and waste	2616; 2843; 300640000 (only of precious metals), 7106 - 7115, 7118 (only of precious metals), 900319100; 902129100; 9101, 911110000, 911310000, 960810300; 960839100, 9705 (only coins made of precious metals)
Precious natural stones and items made from them, by-products, powders and recuperate of precious natural stones, pearls and items made from them; amber and items made from it	253090000 (only amber), 7101, 7102, 7103 (only precious stones); 7105 (only from natural precious stones); 7116 (only from pearls and natural precious stones), 9602 (only polished amber and items made from it)
Narcotic and psychotropic substances	
Poisons	
Individual types of raw goods, materials, equipment, technologies and scientific-technical information used in the development of arms and military technology	
Materials, equipment and technologies which have peaceful application, but which may be used in the creation of missile, nuclear, chemical and other types of mass destruction weapons	

**EC Rep in Moscow Questioned on Debt, Aid, Membership**

934A0336A Moscow NEZAVISIMAYA GAZETA  
in Russian 18 Nov 92 p 4

[Exclusive interview with Ambassador Michael Emerson, head of the EC Commission Office in Moscow, on possibility of Russia's membership of the European Community, by Leonid Velekhov; place and date not given: "Never Say 'Never'"]

[Text]

[Velekhov] Mr. Emerson, far from everyone knows even of the fact of the existence in Moscow of an office of the European Communities Commission. And there are altogether few people who have any idea of what this private residence on Stolovyy Street does. Tell us, please, about how your mission came about and about its tasks.

[Emerson] Our office in Moscow was opened in February 1991 as a full-fledged diplomatic mission accredited to the

head of state. This had long been awaited both in your country and in Europe, since both were in need of direct communications channels. Twenty-five persons work in our office currently, and this number will within a year have doubled, possibly. Immediately upon our arrival here, we became involved in a whole series of significant programs. I am speaking about the humanitarian aid program and the technical assistance program. This was, it seems to me, a very good start, because it showed our readiness to go far beyond political statements and speeches. We immediately switched to specific action. But, on the other hand, the EC is not an aid agency. We are not the World Bank or the Red Cross, although I personally admire both organizations. Our interest here is primarily political. The EC bears tremendous responsibility in what we call the architecture of the new Europe. We already have a house half-built, and we are now involved in adding to it and completing it—both vertically and horizontally. That is, we are involved both in the problem of the more in-depth integration of the "old" members of the Community and in its enlargement with new participants. We want to help the republics of the former Soviet Union and also the USSR's previous CEMA partners find their place in the new, united Europe.

[Velekhov] Some Western political scientists believe that the EC is a commonwealth of unequal countries and that possible new participants—I refer primarily to the East European countries—are obviously condemned to perform a secondary role, merely to serve the "big shots" of the Community. What is your attitude toward such a viewpoint?

[Emerson] I disagree with it. The institutional structure of the EC is designed so as to protect the interests of the smallest and weakest members of the Community. From the legislative viewpoint, all members of the EC are absolutely equal. I can prove this in the example of my own institution—the EC Commission. All members of the EC are represented therein at the highest level, among the so-called commissioners. The same in the European Court. The classical notion of proportional representation depending on the size of a country's population is observed in the European Parliament. And, finally, what is most important—legislative authority in the EC Council of Ministers. Decisions here are adopted by necessary majority. Yes, stronger countries also have greater weight here, but, on the whole, everything is organized so that a balance of interests is unfailingly observed. And the small countries, say, having gotten together, can block any decision of the big countries. And the most fundamental decisions are altogether adopted only given unanimous approval.

Of course, in the actual day-to-day activity of the EC, each country behaves as at negotiations, that is, it endeavors to derive the maximum benefit for itself. But the question is the extent to which the entire institutional sphere limits the egotistic interests of politicians.

[Velekhov] Returning to the specific sphere of the relations of Russia and the EC, I would like to ask how these relations are structured at this time. Are there big new

projects aside from the above-mentioned humanitarian assistance and the technical aid program?

[Emerson] A partnership and cooperation treaty is currently in the discussion phase. It will have, most likely, three parts. The first will regulate relations between the EC and Russia in the sphere of foreign policy and security, and the establishment of a stable political dialogue. The second will be devoted to a single European market. Here it will be a question of the extent to which Russia is able to integrate in the European economic space. What does a completely open single economic space mean to us? It means that the economic legislation of each country will specify such points as completely open borders in the interests of the movement of manpower and capital. We quite recently concluded detailed agreements on this with Poland, Hungary, Bohemia, and Slovakia. In the third part of our treaty with Russia, we want to make provision for specific areas of our cooperation, in the sphere of science, technology, and culture, for instance.

So much for the treaty. Now about the nature of specific trade relations between the EC and Russia. Russia has, naturally, a need to export as many of its goods to Europe as possible—if only to pay off its foreign debts. But the potential opportunities for Russian exports are very specific. The bulk of your commodities is uncompetitive, except for aluminum, uranium, and arms exports, where there are, truly, enormous possibilities. Our task is to facilitate Russia's export expansion.

[Velekhov] How does the European Communities Commission conceive of a solution of the Russian debt problem?

[Emerson] As you know, important negotiations are currently under way in the Paris Club. Some system of reconsideration of the previous debt-payment time frame must be devised, naturally. But the Western side is very interested in this matter being decided in connection with two exceptionally important points. The first is how the debts are distributed between Russia and the other former republics of the USSR. And the second is the question of currency and financial stabilization in Russia. That has not been resolved as yet. The West may assist only when your problems have been resolved at the macroeconomic level and it is clear what the reform strategy is.

[Velekhov] I have to put a question which arises in the mind of every Russian at the mention of the words "European Community." It is the question of why the aid which you have sent sometimes does not reach us or reaches us in the form of costly commodities on the shelves of commercial stores. Does the EC have any plans which might ensure the delivery of humanitarian aid to those who need it?

[Emerson] It does, and they are being implemented. In the first half of this year we embarked on the realization of an entirely new humanitarian aid program. We put it to the test in Moscow, St. Petersburg, Saratov, Nizhniy Novgorod, and Chelyabinsk. This program was devised for the purpose of avoiding those same obstacles about which you spoke. We agreed with the authorities of these five

cities that the food supplied by the Community would be sold at relatively high—although below market—prices and that the monies thus earned would be transferred to the needy strata of society via social assistance institutions. Approximately 100 persons came here under our auspices to administer the program. We were satisfied, on the whole, with the way it went, and I may say with complete confidence that the losses given this form of assistance were negligible. The idea of selling food, not distributing it free of charge, justified itself, in my view. The Americans and the Japanese will base their aid programs, which they will start to implement here this winter, on this model, incidentally.

[Velekhov] And, finally, the last question. Do you see in the future, if only in the distant future, Russia joining the EC?

[Emerson] Never say "never," as they say. The existence in the country of political and economic democracy is essential for entry into the Community. It may from the experience of a number of countries be maintained that the political system can, if so desired, be transformed in the direction of democracy relatively quickly. Russia itself is excellent confirmation of this. Aside from the Russian experience, we recall that of Spain, Portugal, and Greece, where dictatorial regimes, having fallen apart, rapidly became democratic. Remaking the economic sphere rapidly is impossible.... All labor conditions have to be revised for this. Such an enormous country as Russia has an enormous amount of work to do in this respect.

#### From NEZAVISIMAYA GAZETA Files

Michael Emerson, 52 years of age, is a professional economist. A graduate of Oxford University. He has worked permanently in EC institutions since 1973, when his country, Britain, joined the European Community. As the leader of a group of economic assistants, he has worked in the EC Commission on problems of the creation of a single European market and a common currency. His work in the USSR and, subsequently, in Russia has been his first diplomatic mission.

#### Russian-Israeli Trade Ties Expanding in Energy, Telecommunications Areas

934C03594 Moscow DELOVOY MIR in Russian  
"Nov 92 p 4"

[Article by Yury Kon: "Russia and Israel: Cooperation Expands"]

[Text] Until recently, Russian-Israeli commercial relations were at a local level between individual enterprises and research institutes. The restoration of diplomatic relations and exchanges of officials have created conditions for the establishment of economic, research, and technical contacts at the state level. For example, an Israeli governmental delegation led by Professor Amnon Rubinshteyn, Minister of Energy and Infrastructure and Minister of Science and Technology, visited Moscow in late October.

The delegation met with Viktor Chernomyrdin, deputy chairman of the Russian government; Yury Osipov, president of the Russian Academy of Sciences; and officials of

the Russian Federation Ministry of Fuel and Ministry of Science, Higher Education and Technical Policy.

Yury Korsun, deputy minister of fuel and energy, feels that the talks were successful. The sides discussed the question of exporting coal, oil, and petroleum products to Israel in exchange for Israeli investments in Russia's oil and petroleum-refining industries. The question of creating a joint Russian-Israeli enterprise to build a Russian-equipped power station in Israel, and later power stations in "third countries," was resolved almost completely. An agreement was reached under which Israel will acquire Russian technology for processing and burning oil shale, large reserves of which were recently discovered in the Negev Desert in southern Israel. The technology is employed at thermal power stations in the northwestern part of our country. Israeli specialists showed great interest in a water storage power station in the vicinity of Sergiyev Posad. Israel intends to build a similar station near the Dead Sea.

Based on the talks' outcome, a declaration of intent was signed. The declaration outlines ways to establish closer scientific cooperation in the field of basic research and takes note of the successes already achieved in this course of this cooperation.

The text of a Russian-Israeli treaty on scientific and technical cooperation was essentially completed. Its most important elements are telecommunications, the creation of new materials, electronics, and problems relating to the processing and storage of agricultural products.

Exchanges of scientists and higher school instructors are planned. Our specialists are particularly interested in Israeli experience in developing and operating technology parks, their ties to industry, and problems relating to the introduction of research and development results.

In the opinion of the talks' Russian participants, the Israeli delegation's visit was very successful, and there is every reason to expect that during Israeli Prime Minister Rabin's upcoming visit to Russia, which will take place in the near future, a number of mutually advantageous agreements will be signed. The Israeli side shares this view, said Gerni Koren, counsellor at the Israeli Embassy in Russia.

#### Commentary on UNGA Resolution Favoring End to Blockade of Cuba

934C04154 Moscow PRAVDA in Russian  
"27 Nov 92 p 3"

[Article by Valeriy Mironov: "The Blockade of Cuba Is Outside the Law. Such Is the Decision of the UN General Assembly"]

[Text] Fortunately, far from everyone in this wide world is defined by the forces of anticomunism, which has been elevated in a number of capitals—from Washington to Moscow—to the rank of state policy. Demonstrating great responsibility in support of peace and stability in the Caribbean Basin, as well as throughout the Western Hemisphere, and respecting the sovereignty of socialist Cuba, the UN General Assembly adopted a resolution on "the

necessity for halting the economic, commercial and financial blockade" introduced by the United States against this island state. Calling the results of the voting on the East River its biggest diplomatic victory, Havana is not exaggerating a bit, for Washington's far-reaching attempts to suffocate Cuba by means of a global campaign have been foiled. The commentary published below describes the mainspring of this improper action and the strange, to say the least, participation of Russian diplomacy in its development.

Near the end of his presidency, George Bush, already reported, signed the so-called "Law on Democracy in Cuba," which bears the name of its author—Congressman Robert Torricelli. This document describes unprecedented measures for tightening the economic embargo against Havana.

This legislative act of the departing administration is of an extraterritorial nature, proclaiming the right of the United States to unilaterally regulate international trade and maritime traffic. This is not only encroachment on the sovereignty of Cuba, but also a challenge to the entire world community, fraught with grave consequences, which was in effect affirmed at the current session of the UN General Assembly.

One recalls the television report of the signing ceremony of the "Torricelli Act," which was staged in the typical spirit of propaganda, and more closely resembled a farcical show. This act was concluded, not in the White House, but in Miami, obviously calculated to strengthen Bush's position in the Hispanic community and in his staggering presidential election campaign. Well what became of it? His calculations, as we now know, did not work.

As far as the "godfather" of this new law is concerned, Jorge Mas Canosa, leader of the quite well-known Cuban-American National Fund (KANF), played his role. Having twice visited Moscow in recent years, he promised—in exchange for the RF renouncing cooperation with the "totalitarian Castro regime"—to supply Russia with heaps of cheap sugar of unknown origin. In the face of such a threatening gesture, should one be surprised that, not limiting himself to meeting with Minister of Foreign Affairs Andrey Kozyrev, Mas Canosa managed to penetrate once again to the Russian President himself. The Spanish magazine CAMBIO-16, incidentally, wrote at that time that "Yeltsin became acquainted with Mas Canosa in Miami in 1989 during his trip through the United States, which according to the director of the Institute for Study of Soviet Problems at Miami University, Irzha Valenta, was partly financed at the expense of this Cuban emigrant."

And so, Russia has set up housekeeping from across the ocean with a partner calling for truly draconian sanctions toward any country rendering aid to Cuba or maintaining trade contacts with her. Specifically, the "Torricelli Act" forbids foreign ships delivering cargo or passengers to the island or from the island, to call at American ports for 180 days. All affiliates of U.S. firms in third countries are forbidden to trade with Cuba. The President of the United States is also given exclusive right to render financial and

other support, by any means, to groups of the Cuban opposition. Not only Cuba, but any self-respecting state could not consent to such humiliation!

Washington evidently was counting on wide international support for its policy of bans and threats addressed to Cuba. But, they miscalculated. Judge for yourself. A memorandum on the given problem from the countries of the European Community stresses that such actions, which "even in time of war would be a violation of the norms of international laws on shipping in neutral waters, are altogether unacceptable in peacetime." Incidentally, France has already offered financial aid to the Cubans for implementing a number of economic projects, declaring that regardless of Havana's approach to the question of human rights, it is speaking out against the policy conducted by the United States for the "isolation and suffocation of Cuba." In London it was also stated that with such a law the United States is undermining the activity of British entrepreneurs in their trade with Cuba. Argentina and Uruguay, Venezuela and Colombia, Chile and Panama, and other countries of Latin America have lodged a decisive protest, and condemn the tightening of the anti-Cuban blockade and the extraterritorial nature of the "Torricelli Act."

The National Congress of Mexico unanimously adopted a resolution condemning the tightening of the embargo against Cuba. The words of the politicians are backed up by the deeds of Mexican businessmen. In early November one of them, Mauricio Fernandez, reported on concluding a major deal, according to the conditions of which, \$50 million would be invested in the construction of 15 textile enterprises in Cuba.

In the final analysis, the "Torricelli Act," which was adopted from purely political considerations, will boomerang on American business as well. U.S. business circles observe with undisguised chagrin that after Moscow's mindless repudiation of multilateral ties with Cuba, the vacuum formed there is being filled with increasing energy by their competitors from Western Europe, Canada, China and Japan.

Well, what about Russia? At the UN voting its representative timidly abstained. What can one say? Is this a "worthy" position for a country which has been connected with Cuba by the closest ties of cooperation for three decades? How long will it take for the Supreme Soviet of Russia to react to the reticence of our diplomats? It is appropriate to address an inquiry to the forthcoming Congress of People's Deputies: When and by whom was the Treaty of Friendship and Cooperation with Cuba, signed in 1989 for a term of 25 years, declared invalid?

"Excessively pro-Western in his views," writes the Mexican newspaper FINANCIERO, "Kozyrev has based his diplomatic strategy on accepting any conditions on the part of the capitalist powers... Like Cuban-American Jorge Mas Canosa, Kozyrev is conducting an openly anti-Cuban policy, in harmony with the American blockade, which is the result of pressure on the part of Washington."

Incidentally, the Cuban people and the Cuban Revolution, which has already survived eight U.S. administrations has

its own values, which do not depend upon the political situation; which they prize there, and which deserve the respect of honorable people abroad. In my view, this means above all an extraordinary sense of national dignity, and intolerance for any kind of injustice. The Cubans are not changing their own convictions, as a great many of us have, and they have not retreated from their historic choice. And, it seems to me, that there are still quite a few people in Russia, who are prepared to share with the Cubans their joy and their adversities.

### Clinton Victory, *Inter Alia*, Seen Benefiting Castro

934C0400A Moscow NEZAVISIMAYA GAZETA  
in Russian 20 Nov 92 p 4

[Leonid Velekhov forecast: "Cuba After Bush"]

[Text] As distinct from Saddam Husayn, Fidel Castro did not upon learning of Clinton's victory exultantly fire a revolver into the air. But GRANMA triumphantly reported the "Fall of Emperor Bush."

So, among other unfulfilled promises, George Bush also failed to keep his word that he would be the first American president to step onto the soil of a Cuba free of the Castro regime.

So, Fidel Castro has outlasted yet another president of the United States, the list of which begins with the name of Kennedy and runs through Johnson, Nixon, Ford, Carter, Reagan, Bush.... They were all, except, perhaps, for Carter, intolerant of Castro and declared that his regime would soon fall. They all proved poor prophets. They have departed the political boards, and Castro remains front stage.

What awaits Castro under Clinton? I ask this question, for it has been put thus by history itself, having by ties of mutual attraction and repulsion bound the small Caribbean island and the colossal superpower. Although I am far here from the thought shared by many that it is the United States which will one way or another decide Cuba's fate. It has not succeeded in doing so in 33 years, despite all its endeavors, and even less will it so succeed now. Moreover, I believe that by its extremely rectilinear Cuba policy, which utterly fails to take account of the specifics of the case, the apotheosis of which was the Bush policy, the United States has uncommonly strengthened the Castro regime—not a bit less, perhaps, than the Soviet material support. The unprecedented 33 years of American pressure have secured for Cuba moral support in a large part of the rest of the world.

So, Clinton. There is much that indicates that life for Castro will not under him become any sweeter, whatever sugar cane harvest the latter may procure. The Democrat Clinton will need to confirm his commitment to democracy, the cornerstone of which are human rights, which, as we all know, are not all that respected by Castro. In the course of the election struggle the Democrat Clinton several times sharply criticized Bush for his insufficiently tough and emphatic policy with respect to Cuba. Although it is not entirely clear what he meant: A tougher Cuba policy than that of Bush's could only be armed invasion, to which the United States would never agree even under Clinton—not so much even by

virtue of its respect for international law as by virtue of a sober understanding that it would on Cuba meet with resistance which would be beyond comparison with that of either Kuwait or Panama or Grenada.

Finally, Clinton is even related to the anti-Castro Cuban emigres: his brother is married to a Cuban from among those exiles who settled in Miami. And in the course of the election campaign, Clinton visited Miami, met with Jorge Más Canossa, the leader of one of the most powerful anti-Castro groupings—the Cuban-American National Foundation—and expressed his absolute support for the opposition's struggle and the so-called Torricelli Act, which had recently been signed by Bush and which tightens to the maximum the United States' economic sanctions against the Castro government.

Nonetheless, I shall venture to suppose that under Clinton, Castro will begin to breathe somewhat more easily than under his predecessor. For several reasons, both directly connected with the policy course of the United States and irrespective of it.

It is clear that initially—a year to 18 months—Clinton will not, despite all his Miami promises, be having anything to do with Castro. He will be preoccupied with exclusively domestic matters, formation of the administration, and so forth. The longer-term prospect could also take shape for Castro more auspiciously than during the time of Bush. Clinton has already stated the need to focus all attention on domestic problems, adherence to his party's traditional course of a policy more isolationist than that of the Republican Party, and renunciation of the inordinate expansion of American influence in the rest of the world, specifically, a reduction in the Army on continents outside of the United States. Despite all his friendship with the Cuban emigres, which at the elections voted for him en masse, not for Bush, who had always given them a warm welcome, Clinton has already declared the need for strict immigration quotas, remembering full well, evidently, that the fact that the doors to the United States were opened wide to refugees from the island cost his party comrade Carter a second term in 1981.

Nor can it be forgotten that Clinton is not entering a void. Preceding him is the evolved "Cuba" policy of the Republicans, which he will have to revise. And it is full of failures, the main one of which is the Torricelli Act, which evoked a storm of protest worldwide. And although in his election campaign Clinton expressed his support for it, now, having become president, he cannot brush aside the fact that the world, including such traditional friends of the United States as Britain or Argentina, viewed this act as violence against democracy and interference in other countries' internal affairs. The act has already fallen through de facto, since virtually all countries have refused to subscribe to the new U.S. sanctions against Cuba, and it is now perfectly possible that it will be more beneficial to Clinton to dissociate himself from them and to disavow them, as he has already disavowed, for example, the preceding administration's antidemocratic policy with respect to the Haitian refugees.

Finally, factors in Castro's "favor" not directly dependent on the United States, and fundamentally connected, what is more, with Russia. One such is the present situation in Russia and other republics of the former Union; another, the new, more correctly, now post-new, policy of Russia with respect to Cuba.

The world euphoria at the collapse of the communist system, which just a year ago might have engulfed Castro like a wave, is today passing. The world has seen the consequences of this collapse. No one is astonished by the economic disorders on the former socialist expanses: They were logically to have been expected. But the fact that the post-communist space has become a virtually unbroken battlefield, where one civil war neighbors another, has horrified and cooled off many people. And the anachronistic Castro regime has in this juxtaposition come to appear in the eyes of many people as different than the way it did a year ago.

Finally, Castro has been exceptionally lucky in that that same moment of euphoria, as, equally, the whole situation of a year ago, extremely unfavorable for him, when he, abandoned by the disintegrating USSR to the whim of fate, found himself in virtually total isolation—this entire peak situation—was not utilized by the opposition anti-Castro forces outside of Cuba. The anti-Castro campaign has essentially fallen through, although it was by all objective prerequisites, seemingly, doomed to succeed.

The opposition failed to take advantage of its historic opportunity, which consisted of driving a wedge between the two old friends at the time of their rift and "pulling" Russia away from Cuba, having guaranteed the replacement of political reference points in Russia's Cuba policy by fruitful economic cooperation.

The Cuban-American National Foundation, powerful both politically and economically, which had originally sought friendship with the new, democratic Russia, confined itself to political declarations and failed to fulfill a single one of its promises and proposals, with which it was at that time literally showering the extant union and Russian authorities.

And the result: Realizing that the dialogue with the Miami opposition was futile, Russia once again turned toward Castro's Cuba, signing with it, following the year's tiff, very appreciable economic—and not only economic—agreements (see in this connection *NEZAVISIMAYA GAZETA* No. 213). And this step on the part of Russian politicians is understandable: Russia has its own economic interests, and it has no intention of building its policy to their detriment, making them dependent on the policy of Washington or Miami. Symbolically also, it was no accident that this agreement was concluded shortly after Bush had signed the Torricelli Act and on the eve of the American elections.

It is impossible to exaggerate the significance of this agreement for Castro. It could allow his regime to gain a second wind: The figures of this agreement are ponderable, and the fact that military cooperation, colossal in its moral effect, will continue together with economic cooperation is

very significant. And Clinton will have to reckon with this also when constructing his policy both with respect to Russia, which has emphatically demonstrated its independence in its choice of partners for cooperation, and with respect to Cuba, which has broken out of the ring of international isolation which had closed around it.

#### Problems of Russian Diplomats Abroad Examined

934C04144 Moscow *ROSSIYSKAYA GAZETA*  
in Russian 27 Nov 92 p 7

[Article by Diplomatic Commentator Dmitriy Kosyrev: "Diplomacy Is an Elitist Profession. But an Elite Must Be Created Purposefully"]

[Text] One sensed a thirst for blood in newspaper articles popular a few months ago about the coming purge in the ex-USSR and now Russian Ministry of Foreign Affairs [MID]. But then the publicistic wave subsided and diplomats began to breathe once again. Perhaps they need not have worried, for after all the MID is a unique organization, where purges are without purpose.

For decades Moscow had been siphoning off from the entire USSR cadres of potential internationalists, and after all, we are speaking about people whose training and preparation take years. Today the MID is the only full-fledged organization in Russia (and the CIS) which operates in a professional manner in this sphere. One senses the uniqueness of the organization with special clarity when one sees in the corridors at Smolenskaya [Square] the envoys of the newly created foreign policy departments of the new independent republics. The envoys come for examples of documentation, for the text of agreements and many other things.

And nevertheless, in my view, the Russian diplomats have the most difficult problems. These can be reduced to three: money, a legislative basis and of course, the people.

The first has the most severe effect on the basic activity of the diplomats—those who go abroad. This Fall the Supreme Soviet finally came to decision on the problem "invented" by the Finance Ministry of foreign exchange to cover the basic necessities of the embassies. But they have stopped up only the most gaping holes. And you see, in certain countries this problem had become extremely grave: If the money does not come the people will not survive physically on the allowance of 200-odd dollars, which they considered a marvel. They could be thrown out of their apartments or their offices. God forbid anything like this happens again.

But the fact of the matter is that at many embassies abroad the salaries had been simply miserly even before this, and it this question must still be resolved. This must happen, additionally, because without budgets the embassies themselves will not be able to do what diplomats are sent abroad for: to associate with other people, to travel throughout the country, and to work. All of this serves as excellent justification of the already typical clerical style practiced by the "old" employees, when even in the best years a diplomat both at home and abroad was occupied essentially with paper alone, until he had climbed the long

stairway of service. Contacts with foreigners under such an approach was the province of the grey-haired "stars." To this day I can remember the rapture of a person who somehow once broke out of the bounds of the capital district in his "country of residence," where he had spent a total of seven years.

Russia is represented abroad by specialists who have been through the school of humiliation. I am not even referring to the nerve-jangling events of the last two or three years, with the unheard-of leapfrogging of ministers and, accordingly, their deputies. A great many MID employees departed, unable to deal with all that had taken place. But I am not speaking of the situation in Moscow, but of how people live in our embassies abroad.

Envy, malice, mutual put-downs—the typical features of the "Soviet way of life." But nowhere had this "way of life" been traced so clearly as in our missions abroad. The completely official term, "sovkoloniya" [Soviet colony], applied to them, was amazingly accurate. The system was constructed with the help of the stubbornly-entrenched collectivist sense of obligation (You may be surprised, but you would have to observe, for example, the New Year with your "native collective") and party control, but was really based on the absolute authority of the ambassador, and upon the special role of the officials from the intelligence services—a role which had absolutely nothing to do with their real mission. Intelligence officers work in the embassies of all countries. But in American embassies a CIA rezidentura [fixed-post spy] would not create an atmosphere of fear, envy, denunciation, mutual hatred and squabbling. In the Motherland, I repeat, everything was the very same way, but at least there one had a choice of people with whom to associate. In the "sovkoloniyas," one was hemmed in and freedom of association was reduced to a minimum, under the pretext of the "special situation" and the "enemy tendency toward provocations." Those who were able to bear all this were indeed iron people.

The "zagranGULAG" ["Main Labor Camp Administration Abroad"] system began to spring leaks during the years of perestroika to the extent that, under Eduard Shevardnadze it became the rule that ambassadors were career diplomats (and not former party officials). But that was not enough, for it is necessary to fill the present legal vacuum in which our civil-service foreign officers find themselves.

"Closed" documents, which authorized the virtually sultan-like powers of the ambassador, existed. But they had lost their validity already under the USSR, since they fell into the category of documents which dealt with human rights and were thus subject either to abolition or to publication (and they were not published). But even before this many ambassadors who suddenly found themselves in a rule-of-law state could do certain things only with his direct subordinates. That is, with the diplomats above all.

Today the legal vacuum leads to unexpected consequences. There are countries where diplomats are departing for foreign firms, literally without having completed a document. And nothing can be done about it until there are

normal, unclassified documents, which define the rights and obligations of Russian diplomats.

And so, if there is no money, but more must be spent, if the specialists must rid themselves of the clerical syndrome, and if the situation in the embassies is not improved—there is but one way out: to switch the system practiced by the majority of countries, where in various states they maintain only two or three diplomats, but actively working diplomats, who do not have to pinch pennies, and who are free in their movements and associations.

And it is not necessary to send out an army of service personnel [tekhsostav] from Moscow, most of whom do not know the languages and quickly form "collectives", cutting themselves off from the outside instead of being oriented outward, to the country in which they reside. Other embassies hire their service personnel from the local citizenry, and their security does not suffer from this.

I understand that the problems of the foreign service cannot be reduced to a simple formula. But one of the misfortunes of our diplomats, who have always and ever been an elite, is the fact that this elite in the full sense of the word would never be allowed to form in the ex-USSR.

After all, at one time Princes Volynskiy and Gorchakov, and the poets Kantemir, Griboyedov and Tyutchev were members of the Russian Diplomatic Service.

### Security Ministry, Polish Internal Affairs Ministry Sign Treaty

934C0414B Moscow KOMMERSANT-DAILY  
in Russian 20 Nov 92 p 8

[Article by Aleksandr Stukalin: "Former Allies Sign First Agreement: Collaboration of Special Services of Russian and Poland"]

[Text] An Agreement [Soglasheniya] on Interaction between the Ministry of Security of Russia and the Ministry of Internal Affairs of Poland was signed in Moscow yesterday.

In Poland the Ministry of Internal Affairs, in addition to maintaining law and order and combatting infractions of a generally criminal nature, is entrusted with the mission of protecting the constitutional system, countering foreign intelligence, and combatting especially serious crimes. The latter are within the jurisdiction of the Special Department for Protection of the State (Urząd Ochrony Państwa).

The treaty [dogovor] signed by Russian Minister of Security Gen-Army Viktor Barannikov and Polish Minister of Internal Affairs Andrzej Milczanowski envisages the collaboration of the two major East-European special services in combatting international terrorism, the narcotics trade, and contraband and corruption, if the latter go beyond the borders of one of the states.

The collaboration will be carried out by means of exchange of information and conduct of joint operational-investigation measures on the territory of the two countries. In addition the agreement envisages broad exchange of experience of the two agencies by means of offering one

another materials from completed criminal cases, analytical reviews, and scholarly works on guaranteeing state security.

Speaking at a press conference after the signing of the treaty, Gen-Lt Vladimir Bondarenko, Chief of Administration of the Ministry of Security of Russia [MBR], did not exclude mutual exchange of security officers, and opening of offices of the Department of Protection and the Ministry of Security in Moscow and Warsaw, respectively, for purposes of increasing their effectiveness.

Bondarenko declared, that the document does not envisage interaction in carrying out intelligence operations in third countries, nor mutual rejection of conducting intelligence against one another. Incidentally, in his words, nor is such activity being carried on: "MBR counterintelligence has no material whatsoever about the activity of Polish spies in Russia."

It is especially significant that the given agreement is the first document of this type signed by the Ministry of Security, as the successor of the former KGB, with its Warsaw Pact colleagues. In questions of special services collaboration, independent experts have noted a markedly cool attitude toward Moscow by its former allies. General Bondarenko explained this as fear of being found dependent upon the Lubyanka, which continues to have the reputation of "world monster."

#### Pravda Readers Comment on Kuriles Issue

934C0417A Moscow PRAVDA in Russian  
26 Nov 92 p 3

[Article by Yuriy Vdovin: "The People Should Decide: PRAVDA Readers on the Southern Kuriles Problem"]

[Text] Nearly two months have passed since the postponement of Russian President B. Yeltsin's visit to Japan, a visit that, the "democratic" press predicted, was to be a "historic breakthrough" in establishing and developing relations between the two countries, and above all in solving the "northern territories" problem. The main role in that sensible decision was played by public opinion, which is firmly against a transfer of even part of the Southern Kuriles. The visit has been postponed, and the problem has been muted. But it clearly hasn't been removed from the agenda, as is evidenced by the unending stream of letters to PRAVDA in defense of the Southern Kuriles. The issue is a matter of concern to not only Russian Federation citizens, but also citizens of the former Union's other republics. It is noteworthy that whereas the mail used to be dominated by letters from individual readers, now more and more letters are collective messages from various organizations, conferences of communists, and production facilities.

We veterans of the Great Patriotic War and veterans of the Kuriles assault force have already called on the Russian Supreme Soviet and President to reject the Japanese territorial claims, writes G. Sokolov of Novosibirsk. However, we received no response. Now a new round of bargaining over the Kuriles is approaching. This forces us to once again urge the Russian Federation Supreme Soviet and President not to give up a single inch of Russian soil. We are sending

a copy of this appeal, which is signed by more than 140 people, to PRAVDA and hope to see it in your pages.

The mass media, the appeal states, is influencing public opinion in favor of concessions to the Japanese territorial demands. We urge that serious thought be given to the consequences of such a step and that the immutability of Russia's borders be confirmed by the authority of the Russian Supreme Soviet and President. We believe that bargaining with the map of the Kuriles cannot be justified from a moral point of view. The transfer of even part of the Kurile Islands would be a betrayal of Russia's interests, and it should be punished by the full severity of our laws.

Even though I'm a citizen of Ukraine and a Greek by nationality, I take a very negative view of not only plans for turning over the Southern Kuriles to Japan, but also certain statements by our citizens in favor of that country, admits P. Chekaratit of the settlement of Velikaya Novoselka, Donetsk Oblast. We must turn public opinion strongly against those who are inclined to squander Russian soil. Russia is an enormous country, but to squander its lands is a great crime against future generations.

A letter from one Olkhova of Gus-Khrustalnyy, Vladimir Oblast, is permeated with great alarm. Some of our "patriots" and leaders, she laments, dream of the time when the Southern Kuriles will be turned over to Japan. Mr. Tsvetov of Russian television is an especially zealous proponent of this. He claims that the "reds and browns" blocked B. Yeltsin's visit to Tokyo. And just what group does Mr. Tsvetov see himself as belonging to? When it was to his advantage, he was a communist. Where has he washed up now? Apparently on the shores of Japan, which he so zealously supports. To sell off one's own territory is a crime.

With the postponement of the Russian President's visit to Japan, the question of the Southern Kuriles is now up in the air, writes I. Panchenko of Zaporozhye. This introduces uncertainty into the lives and work of the local population. Production is falling, and losses are being incurred. But this is nothing new for the government of "democrats." It has experience in destroying anything and everything. It should draw an unambiguous conclusion from the letters being sent to the newspapers. I think the time has come to amend the Constitution in such a way that the president does not have the authority to decide questions relating to the country's borders and territory, and thereby put an end to discussion of the Kuriles question. We need to get to work, to put our own industry on its feet, and to stop the growth of wages and prices. Look around: What has all this done for the people and the country? It's time to stop rich Russia from debasing itself by going around with outstretched arms, begging for aid. Let anyone who is incapable of coping with this step aside for those who can.

Unfortunately, one gets the impression today that the fate of the Kuriles is of more concern to ordinary Russians than to high-ranking politicians, who are prepared to satisfy Tokyo's claims with a stroke of the pen, writes P. Okuyriev of Odessa. Japan's claims can only be viewed as a desire to discredit the USSR's victory in World War II, to

charge it with aggression, and to evoke world sympathy for Japan as a country that suffered from "Soviet aggression."

In view of both countries' urgent need to have good-neighbor relations, the writer proposes that the Russian government and president could take the peace-loving and humanitarian step of allowing Japan to lease certain territories on the Kuriles and Kamchatka. At the same time, they would have to pay attention to the further development of these regions and to efforts to enhance the prosperity of the Kurile Islands and Sakhalin.

The Kuriles were returned to Russia through the efforts of all the former USSR's peoples, writes A. Nimikh of Kiev. And it was through their efforts that the islands were developed and strengthened. Why is the fate of the Southern Kuriles now being decided by "diplomats" like Kunadze, Burbulis, and others of their ilk? Not only are they not asking the opinion of the former Soviet republics and now independent states; they aren't even consulting with the people of Russia and with the islands' residents.

The loss of the Kuriles has been temporarily averted, but the threat of this remains, warns A. Nimikh. I therefore call on USSR citizens to do everything in their power to eliminate this threat once and for all. Set up Kuriles committees and help the ones that already exist. Our descendants will not forgive us for negligence, irresponsibility, and the sell-out of our fatherland.

In one article, recalls A. Borzakovskiy of Kiev, PRAVDA quoted T. Aso, chairman of the Japanese parliament's foreign affairs commission, as saying: "I don't know of a single government that wouldn't insist on its territories." He is mistaken. Such a unique government does exist. Unfortunately, it is the Russian government. Its abstract ideas of "legality and justice" in solving the problem of the Southern Kuriles are intended only to mask its betrayal of Russia.

How much longer will Russia, to the detriment of its own interests, knuckle under to the territorial demands of Japan and the United States, which are trying to establish their own new world order, asks V. Abramov of Many El. Where's the honor of the Russian state? The unthinking satisfaction of the Japanese demands will do enormous harm to Russia. One can only hope that responsibility before history and before the people will prevail among our leaders, for the people will not allow something that is irreparable.

I was surprised by press reaction to the postponement of B. Yeltsin's visit to Japan, says A. Sysoyev of Rostov-na-Donu, sharing his thoughts. What charges didn't we hear from politicians and journalists? Well, the fact is that preparations were under way for that visit not for a few days, but for months. And both sides knew perfectly well who wanted to get what from whom. Japan wanted to get the islands, or at least an acknowledgement of the problem's existence, and it was prepared to pay well for that. B. Yeltsin wasn't averse to doing some dealing of his own—to promising to solve the problem in Japan's favor at some point. His motive was simple: The promises would be fulfilled by someone else at some other time, and in the

meantime he could get something to support his (Gaidar's) failing reform. There was just one thing he didn't know: the kind of storm of indignation and disgust that his intentions would evoke among the people. As one newspaper reader joked, he would have gone to Japan as President B. Yeltsin, but returned simply as Boris Nikolayevich. And that's what he was afraid of. The thing he fears most is to lose power and completely forfeit his personal authority among the public. And once again, to further his own personal ambitions, B. Yeltsin committed betrayal. This time he betrayed the prestige of and confidence in a country always distinguished by its special scrupulousness in international affairs and its faithfulness to decisions and treaties. I would like to see Russian Supreme Soviet deputies discuss this and ask Yeltsin for a full accounting. For everything that has gone on is not his own personal affair. It concerns the honor and dignity of the state and its people. I would be appreciative if PRAVDA would convey my viewpoint to the deputies to the Russian Federation Supreme Soviet.

Before going out on the road, drivers are examined by doctors for sobriety and their ability to make a delivery, write A. Lukhaer, I. Vorobey, L. Sotnikova, and others of Volkovysk, Grodno Oblast, on behalf of a conference of communists. But who's examining diplomats and presidents before they make trips abroad? And especially when they take with them "secret options" for decisions depending on the mood of some official?

### Results of Forum on KAL Tragedy Assessed

934C0413A Moscow IZVESTIYA in Russian 26 Nov 92 Morning Edition p 6

[Article by Andrey Illesh and Aleksandr Shainev: "Experts Are Waiting for New Government Moves To Shed Light on the KAL-007 Tragedy"]

[Text] The investigation into all the circumstances accompanying the downing of the South Korean Boeing plane over Sakhalin is far from over. Many questions remain unanswered, some of which should be directed to the U.S. Government: Such were the majority of opinions expressed by the participants at a conference that took place in Seattle, Washington.

The conference was the first international forum devoted entirely to the Sakhalin tragedy. No one from Russia came to the conference. Invitations were sent; one, for instance, was addressed to Oleg Troyanovsky (at that time, September 1983, he was USSR ambassador at the UN); but they were not acknowledged. IZVESTIYA, alas, was not invited to the forum either. Eric Swenson, one of its organizers, expressed his sincere apologies for what he called the "omission" and the "work of pure amateurs" in drawing up the list of participants. Eric assured me that there was no malice in the act. But IZVESTIYA was represented in the room: During their conference presentations and informal conversations the experts constantly made references to the investigation carried out by our newspaper.

The forum gained respectability not only from the fact that its speakers had been trying to solve the Boeing mystery for a number of years already but also by the presence of

practical workers: pilots and navigators who flew similar planes, engineers, and designers who created Boeing planes. Seattle is the capital of the aviation industry, which includes military aviation. It was the comments from the audience that helped reject a whole series of theories and surmises offered by researchers John Keppel from America and Michel Brun from France (our newspaper has already argued with him). They doubt the authenticity of the "black box" transcripts that were recently published by the Russian Government. One of the reasons for their doubts is the transcript passage in which flight attendants announce that they are ready to serve breakfast to the Boeing passengers. "Breakfast could not be served at such an early hour," insisted Brun and Keppel, "and that means that the transcripts are inaccurate, to say the least."

We have had occasion to fly to Seoul from New York via Anchorage on a Korean Airlines plane, and every time breakfast was served at about the time that it was supposed to be served, but it never was to the Boeing passengers.

At the same time, both the audience and the speakers were almost unanimous in their opinion that nongovernmental experts should listen to and decipher the recordings from the "black boxes" which were handed over to Seoul the other day by President B. Yeltsin. The team should also include experts from the International Civil Aviation Organization (ICAO).

All the participants expected more from government leaders, and what they want is information. Information that is still under lock and key. The U.S. Government could shed some light on the circumstances of the tragedy if, for instance, it removed the oath of silence taken nine years ago from the crew of the RS-135 spy plane which was approximately 75 miles away from the Korean Boeing. If it could explain to everybody's satisfaction how the Boeing managed to remain undetected by the Alaskan military radar operators and why the civil air controllers on the ground failed to alert Flight 007 that it had strayed off course...

The conference also had some questions for the Russian Government. For instance, what happened to the bodies of the victims and the crew? According to the data quoted by one of the participants and received by him from some unclear source, at least 25 bodies were raised from the sea depths and later buried in Sakhalin. (IZVESTIYA has entirely different information at this time.)

The experts are coming out of the shock which hit them when the Russian president handed the "black boxes" over to Seoul, even though there was a preliminary agreement about sending these most important clues to the tragedy to the ICAO in Montreal. IZVESTIYA has received information from a commission specially formed by Boris Yeltsin; it states that attempts are continuing to gather factual material on what caused the death of 269 people on flight KAL-007 from Anchorage to Seoul which strayed into Soviet air space. This is being done with great urgency, and in due course the ICAO will receive a detailed report containing the current Russian position on the nine-year-old tragedy; it will also receive new factual materials that were found recently. What materials? There is no

direct answer to this question because the commission leaders consider it appropriate to make their work public only after it is complete.

But our newspaper is continuing its own investigation and we are using documents given to us by Boris Yeltsin in October. In the course of our work we have unfortunately come to a sad conclusion: Forces still exist in Russia that want to replace a detailed investigation with impressive but purely political "moves." Human demise should not be used as a playing card in a political game. Here is also our second conclusion: There are still some sensations to come in this story.

One of the most important aspects of the conference was probably the presence there of a future representative of the administration of the new President of the United States. The representative attended the conference incognito, but it is our understanding that he has a certain influence in Clinton circles. Some hopes were expressed during informal conversations at the conference that the United States will now display a different approach and agree to do something that the three previous administrations did not want to do: Like Russia, let them make public documents which have a bearing on the tragedy and which are still classified as top secret.

**ROK 'Perplexity' Over KAL-007 Boxes Viewed**  
934C0413B Moscow IZVESTIYA in Russian 28 Nov 92  
Morning Edition p 8

[Article by Sergey Agafonov and Andrey Illesh: "One More Sensation Around the 'Black Boxes'"]

[Text] According to information received by our newspaper, a letter was sent from Seoul to Moscow in which the Government of the Republic of Korea allegedly expresses its utmost perplexity at the contents of the "black boxes" from the South Korean Boeing-747. The plane was shot down by a Soviet SU-15 fighter plane near the island of Moneron in the Tatar Strait on the night of 1 September. These "boxes" were handed over with great pomp, though rather unexpectedly for many people, during the Russian president's visit to Korea.

It is common knowledge that the secret of what caused the death of 269 passengers and crew members of KAL-007 has cast a shadow on the nine years of our relations with Korea; it has also become one of the major, still not totally resolved, international scandals of the last decade. According to experts, some solutions to the strange flight of the huge passenger plane that strayed into USSR air space, as well as some details of its downing, should be found in the two "black boxes"—electronic instruments that were raised from the sea bottom (some 200 meters deep) and delivered in secrecy from Sakhalin to Moscow in the fall of 1983.

Experts from secret NII [Science and Research Institute] No. 13 deciphered the recordings (not all of them, as the investigation proved later). All this was preserved in extreme secrecy by the government, by the military, and by the special services of the former USSR. The IZVESTIYA investigation found proof not only of the existence of the "black boxes" and their location but also of many of the things mentioned in the recordings.

A week has passed now since the day of the solemn ceremony in Seoul in which the Russian president handed over to the Korean president a metal case containing the "black boxes" from Korean airliner KAL-007. This fact has caused a worldwide sensation which even temporarily eclipsed the official visit of the Russian leader to South Korea; after so many years of nonexistence, the most serious "witness" of the tragedy over Sakhalin was returned to the Korean side.

The excitement in the press media with respect to this occasion has gradually transformed into an expectation of the news about the contents of the miraculous boxes. Some rumors have been even making the rounds that No Tae-u, who is leaving his presidential post soon, promised to make all the contents of the "black boxes" public before his term is over (February of next year), or even before the presidential elections in Korea (mid-December of this year). But some signs began to appear at the time which are not quite clear yet but which portend a high-level scandal if they are confirmed.

So far there are no obvious facts but, according to some serious sources in Seoul and Tokyo, the initial study by Korean experts on the "insides" of the metal case from Russia caused serious confusion. From the physical point of view, the "black boxes" (two boxes welded tightly into metal containers) do not give any cause for complaint, they are real. But their contents, the "original" recordings of all the cockpit conversations and the readings of the main instrument panels and plane systems, seem to be not right, or not quite right, or totally different from what they should be. According to our latest information, the Korean side has either prepared or already sent to the Russian side a strictly confidential paper which reflects the experts' doubts and requests that the situation be clarified.

It is impossible to trace the origin of these rumors right away, which incidentally are known to very few people as yet; but it is clear that such stories do not appear out of nowhere. We do not want to guess right now, but there are sufficient reasons to make us return to the question of what it was that flew to Seoul with the president and stayed there? This matter is too serious for us to ignore even rumors.

#### Reasons for U.S. Pullout From Subic Bay

934C03994 Moscow ROSSIYSKAYA GAZETA  
in Russian 21 Nov 92 p 7

[Article by ROSSIYSKAYA GAZETA diplomatic commentator Dmitry Kosyrev, under rubric "New History": "The Last American Soldier Has Left the Philippines: A New Chapter Has Begun in the History of This Pacific Ocean Region"]

[Text] The American military bases in the Philippines failed to reach their hundredth birthday. Yesterday the U.S. military command handed over to the Philippine armed forces the last such military base, the airfield at Kubi Point, which adjoins what used to be the largest and most important U.S. base abroad—Subic Bay.

This means the arrival of a new era for a region which quite recently—like the rest of the world—was a field of military confrontation between the two world systems. The break began to be felt in the late 1980's and early 1990's, when I was observing the multistage negotiations that were under way in Manila to extend the lease period for the land used as bases. In principle, if one speaks about intra-Philippine problems, it was not too difficult to preserve the bases. All that was necessary was to hold a nationwide referendum, which would confirm the obvious: on the whole, Filipinos had a good attitude toward the Americans and their bases. Nationalistic circles, that demanded the withdrawal of the bases, were always in the minority.

But at each new round in the negotiations, one could sense with increasing obviousness that in the changing situation the bases were increasingly less necessary to the Americans themselves. The confrontation with the USSR had suddenly become a thing of the past. China was moving farther and farther along the path of economic reforms, which—whatever political slogans were used at such time—led China away from the role of a communist giant capable of carrying out unpredictable and destructive actions. In that kind of situation there was no longer any importance attached to any "local" conflicts of the Cambodian type. Finally, the American economy by that time had already demonstrated less and less of a capability to maintain its gigantic military machine, including two tremendous military cities in the remote Philippines.

So they left. Especially since the rights to enter ports and airfields of several countries in Southeast Asia—including the Philippines themselves—are retained by the Americans.

And for Manila the problem that had been the worst sore spot over the course of decades was resolved. It is typical that Fidel Ramos, who is currently the president of the country, but at that time was the minister of defense and the most obvious candidate for that position, previously was considered ("according to the questionnaire") to be a pro-American politician, if only because he had studied at an American academy. But it was precisely Ramos, sensing the changes in the situation, who inclined in an increasingly frank manner toward the nationalistic bloc—apparently understanding that it was simply dangerous to oppose the inevitable changes. As a result, Ramos harmonized well with the situation. Just as, prior to Ramos, albeit with difficulty, President Corazon Aquino had harmonized with it, occupying throughout her entire term of office—while the arrow on the scales wavered—an extremely dual position.

Now for the country all this is equivalent to beginning the history of the state anew. The Americans and their bases were the main factor in the domestic and foreign policy of the Philippines since the moment when that country gained its independence. One might also recall approximately a million persons who are directly or indirectly dependent upon the servicing of the bases; the Americanized national culture; the traditional orientation toward the United States in trade...

With the pullout of the bases, the Philippines have inherited excellent real estate—with territory larger than Singapore, if one considers all the bases together. What to do with that territory is a complicated question. I was at the bases. They are an excellent economy that has been organized with military precision. Tens of thousands of skilled workers, who are currently candidates for unemployment, live close to the bases. Docks, hangars cut out of the mountain slopes, and airfield runways are empty. Richard Gordon, mayor of the city of Olongapo, told me that plans for creating an industrial and port zone there

have existed for a long time. But the zones cannot be created in a single day—it is a question of money and the receiving of production orders. It is true that shipbuilding firms in Singapore and Taiwan are already working extremely actively there—they are looking things over.

Just one thing remains to be added. Gordon asked whether Moscow was showing any interest in converting the bases. I think that that question is a very pertinent one today also, if one considers the interests of the Russian merchant fleet.

## POLITICAL AFFAIRS

**Horyn Views Opposition Politics**

93UN0400A Lvov VYSOKIY ZAMOK in Russian  
12 Nov 92 pp 1-2

[Article by O. Shved: "M. Horyn: 'It is Easier to Destroy the Empire Than to Create a New State'"]

[Text] **Mykhaylo Horyn, deputy of the Supreme Council of Ukraine and chairman of the Ukrainian Republican Party, held a press conference on 7 November at the Center of Trade Union Activity which was attended by our correspondent.**

In his introductory remarks Mikhaylo Horyn evaluated the political situation which formed in the Ukrainian democratic movement.

"I believe that the stage in the struggle for a Ukrainian state, when we marched in the streets with banners, waving them and shouting 'Het!', should come to an end and be replaced with some concrete work. Some, however, in a 'flag-waving' mood still have not stopped. The reason for it is our mutinous spirit. That is understandable. We have always been under pressure and wanted to explode, and for several years we exploded with our 'Het.' It turned out, however, that it is much easier to destroy an empire than to build a new state. Because, first of all, it is less interesting, secondly, it is very difficult, and, third, it requires extensive professional knowledge. On that we stopped. Now the revolutionary 'ultra,' 'shock' revolutionary wing of the democratic Rukh continues to shout further in the same direction. We, however, are seeking a niche where we could devote our efforts to the creation of our state.

"At present in Ukraine, where the material situation is deteriorating, it is possible to hear the following as well. 'What do I need a Ukraine in which the store shelves are bare?' The well-known American political scientist Zbigniew Brzezinski expressed the following unpopular thought to me: 'If the Ukrainian people display patience and a willingness to sacrifice, they will be joining the community of European nations.' It is true, the situation at present is growing more complicated and it is difficult to ask people to be patient. There is no other way out, however. We must establish order in our house. Having become free we should not listen to those who, exploiting our difficulties, are prodding us backwards into yesterday. If we are not satisfied with the current state of affairs, we must lead people not toward the past but forward. That, I believe, is our main assignment."

**"It is a bitter feeling that the struggle is being waged using purely street brawling methods" (On the situation in the Lvov Kray Rukh organization)**

"I consider that the situation that has now formed in Rukh is a consequence of its policy of doing away with vestiges of the party. Because Rukh 'devoid of party vestiges' is still Rukh as a party, since Rukh 'devoid of vestiges of the party' is the political party. Therefore a struggle is being carried out for people between the rightists and centrists, and between centrists and even certain leftists. If Rukh

preserved its traditional form (I have in mind, a multiple-party form) such events would not have taken place in Lvov. It is a bitter feeling that the struggle is being waged using purely street brawling methods, with the twisting of arms behind closed doors. If some people want to create Rukh on a nationalistic platform, what is to be done—should those people be banned, thrown in jail? Nothing would come of that. I am in favor of resolving all questions in a democratic manner."

**"Faced with danger we must unify" (Regarding the possibility of creating a bloc of democratic forces)**

"We created the Congress of National-Democratic Forces. That is a consequence of the fact that Rukh rejected a multiple-party system. I, however, consider that there are rather considerable leftist forces in Ukraine: the Socialist Party, and semilegal communist groups.

"In order to find a solid counterbalance we must unify. I believe that our future allies might also consist of those democratic parties and organizations (for instance, 'Prosvita') which did not join the Congress of National-Democratic Forces.

"As far as the parliament is concerned the democratic forces must unify around a very common platform. Because the parliament is seething at present the parliamentary majority is posing the question of knocking those ministers out of the government one-by-one who do not quite suit it. Deputy Colonel Izmalkov, for instance, collected 192 signatures urging resignation of K. Morozov, minister of defense. There is talk about the resignation of some other ministers as well. The parliament agreed to vote for the Cabinet of Ministers according to a list and at present some are aspiring to make their changes in it. We shall struggle against that. But in order to mount a formidable force it is necessary to renew the activity of the People's Council. We will do that in the face of this danger. I favor a very broad coalition since we are on the verge of some very responsible events. It is possibly somewhat premature to talk about it, but the situation is very complicated and the slogan 'Ukraine is in danger' is in the air."

**"If we split the power we will have a serious conflict" (On who is threatening democracy in Ukraine)**

"Recently, in the process of moulding democratic power in Ukraine we encountered the problem of splitting power into legislative, executive, and judicial elements. The people heading both the Supreme Council and executive power today are linked with the past. Attempts to clearly separate these power structures are becoming rather acute. The Supreme Council, headed by I. Plyushch, would not be averse to an expansion in the power of the soviets to the level of ten years ago when the soviets managed executive committees and at the local level legislative power was thus unified with executive power. The tendency toward expansion of the powers of the soviets through subordination of the executive structure under the soviets is dangerous for our society. Relations between the Supreme Council and presidential power are becoming aggravated. If we are unable to separate their power functions in a civilized

manner, if the opposition between legislative and executive power at the local level attains significant scope a serious social conflict will result.

"The drive to legalize federated order in Ukraine is another dangerous tendency. If we created federal land today, while the nation is still not consolidated, and would transfer, let us say, education, to the subjects of territorial order, in Donetsk, for instance, there would not be a single Ukrainian school within five years. The chauvinist and separatist forces have also become active, which is no less dangerous. Therefore we consider that the unitarian character of the Ukrainian state is highly necessary at present."

**"That which is being defended by Borys Oliynyk is yesterday" (On the attitude toward him as a person, poet, and politician)**

"I have known Borys Oliynyk for 31 years. We first met in Lvov when he was still a young poet. At that time Borys Oliynyk became closely involved with the so-called shestidesyatniks [60-yearniks] and with poetry which was to a certain degree in opposition to the authority of that day, but I believe he never became a shestidesyatnik.

"When the Supreme Council elections were taking place he competed with Sergey Golovatyy. At that time I supported Golovatyy and in meetings with the voters criticized Mister Oliynyk. The fact that he occupied such a position with regard to myself (the reference is to an article published in the KIYEVSKIYE VEDOMOSTI newspaper in which B. Oliynyk speaks positively about M. Horyn—O. Sh.), it seems to me, shows his better side. As far as his sociopolitical position is concerned, I feel very sorry that such a gifted poet and journalist is holding on to yesterday. But I consider myself to be among those people who strive to introduce moral principles in politics. I am always proclaiming the following truism: we must always grant the ideological enemy or opponent the right to be a decent person. If he is against you, if he is struggling for socialism, that does not necessarily indicate that he is a mean individual. I am in favor of conducting ideological struggle with the application of moral principles.

"I am very sorry that Borys Oliynyk today continues defending communist party ideas, that he is yet to join in the state building activity: in it he would find his place. It is possible that he might have to sprinkle his head with ashes, but there are not too many people who do not have to do that. What Borys Oliynyk is defending today—is yesterday, to which there is no return."

**Durdynets on Government-Media Relations**

93UN0338A Kiev GOLOS UKRAINY in Russian  
4 Nov 92 pp 3, 7

[V. Durdynets speech: "The Fourth Estate: Rights and Responsibility. Speech of V. Durdynets, First Deputy Chairman of the Supreme Soviet of Ukraine, at Workshop in Lvov"]

[Text] As has already been reported, a workshop on the topic "The Mass Media and the Affirmation of the State Sovereignty of Ukraine" was held 29-30 October in Lvov.

The workshop was addressed by V. Durdynets, first deputy chairman of the Supreme Soviet of Ukraine. We offer readers his speech.

Esteemed Conferees!

Dear Friends!

Merely by its subject, "The Mass Media and the Affirmation of the State Sovereignty of Ukraine," today's workshop has laid claim to consideration of exceptionally important problems of the formation of the journalistically young Ukrainian state.

Permit me, therefore, cordially to congratulate you on behalf of the Supreme Soviet of Ukraine and to wish all journalist brethren productive work in the field of Ukrainian constitutional development, where journalism—both as the fourth estate and as a flow of information—might invariably and exclusively serve its people, who have already breathed in the fresh air of freedom and sensed that their state will rise and become firmly established together with them.

That this is the case may be attested by each of us. For a tumultuous and irreversible process of renewal of the state is under way before our eyes and with our direct participation. Ukraine is moving into the world arena as a sovereign, peacemaking country, aware of its responsibility and its dignity.

The idea of Ukraine's statehood united the corps of deputies of the Supreme Soviet in the course of approval of the Declaration on the State Sovereignty of Ukraine. Despite the at times uncompromising political battles of left and right, centrists and nationalists, communists and democrats, the urgently convened special session of the Supreme Soviet on 24 August 1991 showed a high level of unity and adopted the Act of Independence of Ukraine, thereby initiating the decisive ouster of totalitarianism.

I would like by these two striking facts—and more could be adduced also—to emphasize once again that if questions of the affirmation of statehood and the building of a democratic Ukraine are arising at the center of political life, all other group, party, and corporate interests have receded, and, I am convinced, should in the future recede into the background, and this, incidentally, was manifested during the confirmation recently of the new government of Ukraine. This is when people's deputies and political forces and—which applies to this audience directly—employees of the press and their publications and all journalist forces display concern not in words but in deeds for the building of the new Ukraine.

I have to mention here the particular contribution of journalists in the consolidation of all strata and social and ethnic groups of the Ukrainian people in the period of preparation for the all-Ukraine referendum on 1 December 1991. The results of the people of Ukraine's say, which stunned the world, were possible thanks specifically to the persevering explanatory and canvassing work of newspaper, radio, and television personnel.

This is proof of the immense social and political role which the mass media can and do perform in the processes of constitutional development.

I would like in my speech if only by way of information to tell you about what has been done in constitutional development and to identify the list of essential political, economic, and social problems of our state.

As far as the laying of the main foundations of statehood is concerned, laws which in practice have removed the impediments from the development of our political and economic life have been enacted within the year, and a whole range of laws on questions of the military organizational development and the national security of Ukraine has been passed.

The most concentrated expression of Ukraine's ways out of the difficult economic situation by the evolutionary and, what is particularly important, legal path are, in our view, "The Fundamentals of National Economic Policy," approved by the Supreme Soviet. They testify that economic reforms in Ukraine must be pursued peaceably and democratically, and in civilized fashion.

Most important "market" laws have been enacted: on property, on business partnership, on the commodity market, entrepreneurial activity, the customs tariff, customs and the customs code, and laws on privatization, limitation of monopolism, bankruptcy, free economic zones, and many others (56 laws altogether). It is contemplated examining a further 23 draft laws on questions of the economy at the Sixth Session. It is important to say also that a provision which accords the president of Ukraine the right to issue decrees on economic issues, which are not regulated by legislation, with subsequent consideration by the Supreme Soviet, has been written into the Constitution. And this for the sake of keeping the economic reform moving and creating a reliable legal base for transition to the market. And the Supreme Soviet agreed to this in order to facilitate the activity of the executive.

Complex processes are occurring both in political life and in the economy. We all witnessed the government crisis, which had long been maturing. The Supreme Soviet recently confirmed a new, essentially the first, government of independent Ukraine. I hope that it will work actively and boldly.

At the same time, forces which would like to dissolve parliament and which are sowing mistrust in the Supreme Soviet and the local authorities are operating actively. There are also forces hampering the fundamental economic reforms, despite the sharp fall in the living standard of broad strata of the people. As you can see, the situation in the country is extraordinarily complex and tense.

We have had a year of independence. We have embarked on the second. We confront a multitude of problems, which should be resolved consistently and without procrastination. I will highlight the main ones.

Consolidation of all the healthy forces of society on a constructive basis, around the great cause of the building of a new Ukraine.

The unification and organization of all for daily hard work.

The strengthening and precise delineation of the terms of reference of the legislative, executive, and judiciary. An acceleration of judicial-legal reform.

The immediate implementation of radical measures for the surmounting of the economic crisis.

The immediate solution of questions of the social protection of the populace, particularly the needy categories: retirees, invalids, war and labor veterans, large families.

A strengthening of legality and law and order, and decisive and uncompromising struggle, a war, I would say, against organized crime, corruption, the shadow economy, and the mafia.

The establishment of normal, friendly, mutually profitable relations with international society and, primarily, with our neighbors. I refer both to assurance of Ukraine's active incorporation in the all-European community within the framework of the Helsinki accords and other structures and the accelerated integration of Ukraine's economy in the world economy, based on the contemporary international division of labor.

The balanced and comprehensive solution of problems of military organizational development and a strengthening of the national security of Ukraine. Yesterday the Supreme Soviet examined Ukraine's military doctrine. The discussion was high-minded, and a number of specific proposals was submitted. It was decided, following thorough completion of the draft, to submit it once again for consideration by the Supreme Soviet. This is yet further evidence of the exactingness of the deputies and the entire Supreme Soviet toward the adoption of decisions which are fateful for the people.

Further, an extraordinarily acute question for the Western oblasts is the establishment of normal inter-creedal relations.

And, finally, the creation of a dependable legislative base of the new Ukraine, of an international standard, starting from the future Constitution, work on the draft of which continues; a keen and problem-solving discussion is underway throughout Ukraine, through many legislative instruments, for which there is an acutely perceived need.

This is the wide spectrum of problems, complex problems, whose solution will require both the maximum consolidation of forces and considerable time, which confronts us. Success will depend to a considerable extent on each of us—people's deputies, members of the government, politicians, and journalists.

Today's so representative conference is both opportune and necessary. No one can belittle the role of the press and all mass media, both in the political changes which are occurring and in coming business, with respect to the path

which society will take in its historical development and the price which will be paid for this path.

I have closely scrutinized the program of the workshop and its subject matter, which identifies, together with questions of professional expertise, both a philosophical comprehension of the development of the new Ukrainian journalism and political problems of the development of society.

I see that journalists not only of various publications, but also of various political aspirations and with a far from identical vision of the new independent Ukraine are gathered here. Well, it could not, most likely, have been otherwise in a country aspiring to democratic development and ensuring glasnost, pluralism, and freedom of worship and speech. And it is futile to expect any uniformity of opinions. We have been through this, thank God, and know its price.

But despite the well-nigh incalculable number of publications now appearing in Ukraine, their political and thematic diversity, and the content of the television and radio broadcasts, I would, for all that, like to see one thing, which was taught us by Mikhail Grushevskiy, who called for the building of an independent Ukrainian state:

"All of us who are aware of and devoted to the interests of our motherland should rally around this objective. We should gather into a tight and compact phalanx, having set aside all party and group differences, all considerations of party advantage and interest."

Is there anyone in this hall to whom these words are not addressed directly?

And, further: "All evasion of work, of responsibility, of doing the duty imposed on us by the present moment amounts to desertion unbecoming a citizen. Any arbitrary action or evasion of civic or national discipline is an impermissible crime."

These are sound precepts for all of us!

Ours today is the following goal, around which we should unite—the affirmation of Ukrainian statehood in both an inward, deep-lying respect and in an international respect. In order that both we ourselves should perceive this and that others should believe us also.

I am far from seeking paths toward this affirmation in a unanimity of opinions, arguments, and methods, in the press and other mass media even less. I am for all flowers blooming in the field of the new Ukrainian journalism, but for their not being programmed for the creation of chaos and eclecticism, but for the accomplishment of the main task—the formation in Ukraine of a civil society.

Nor can our young journalism reach full maturity without a strengthening of the critical spirit. But articles should be not only sharply worded and trenchant, but primarily truthful and cogent, and without elementary abuse.... Convincing facts and an analysis and evaluation thereof are needed. In order that the entire journalistic ardor ultimately be effective and that it strike a blow at the evil against which it has spoken and benefit the good for which it has fought. This should be given serious thought.

I will take as an illustration one fact which is very "urgent" these days: Certain circles are disseminating slogan, is in society—demands for the early termination of the authority of the Supreme Soviet of Ukraine and the organization of new elections. The mere formulation of such a question has a right to exist, like hundreds of other questions also. But as distinct from the hundreds of others, this question is not only somewhat more delicate—the people's deputies were, after all, elected by the people, not by some political group, and the electorate is the sole force that can raise the question of confidence or no confidence in its elected representative in accordance with the Constitution and current legislation. This question is also somewhat more fundamental since it supports a political meaning of a global level and economic problems tangible for the whole people.

And an understanding of all this should constantly be before the eyes of the journalist who has taken up this topic. Please understand me—I am not venturing today to defend the Supreme Soviet. The evaluation of our work will be given by the electorate, the whole Ukrainian people. I would like to see an objective and impartial evaluation of the activity of the people's deputies and the entire Supreme Soviet. And it is not just a question of these deputies having in two years and six months passed almost 200 laws and more than 700 decrees and other important state documents. Much has been done to ensure that the Supreme Soviet be a stabilizing factor in society. There is reason to criticize us, and we are aware of this daily. Specific measures have been formulated in closed session for an improvement in the activity of our parliament so that its work may be more organized and efficient. And we are interested in the press and all the mass media illustrating our difficult work objectively. And whether there will or will not be this Supreme Soviet subsequently will be decided by the electorate in the procedure established by law.

Unfortunately, there are as yet few publications and radio and television broadcasts of a high professional standard and with a convincing line of argument which are of much use.

And articles put together from slogans, regardless of their length, no longer exert an influence.

Whence the tragedy of many of our present newspapers: They are no one's. They are all independent, they are all free, they are all for the people. But the people are in no hurry to purchase them. And ultimately they disappear—just as imperceptibly as they appeared—or begin to complain about the government, which is not giving them paper, assistance, or something else.

Thus, the main condition of the activity and the very existence of one mass medium or the other is, in our view, concern for an increase in the information value and the content of the publications.

An aspiration on the part of many publications to increase the information value thanks to an appeal to history and the past has been manifested noticeably of late. Without downplaying the significance of this set of problems, I

would like to emphasize that the majority of the mass media is called upon to be chroniclers of contemporaneity and to help people comprehend the processes occurring before their eyes and consciously to determine the extent, possibility, and necessity of their participation in them.

Thus, the political process of the formation of Ukraine's statehood is what is most important today. This alone puts political-legal subjects among the priorities for any publication or radio and television editorial office.

The legal nihilism of a substantial part of the populace cannot leave us indifferent. It is to a large extent explained by elementary ignorance of the Constitution and the statutes. And this is understandable, because nowhere is the law set forth in a volume such as each citizen requires lest he be blind in the face of the quantity of legislative instruments adopted by the Supreme Soviet of Ukraine. Not to mention subsequent work on the enactment of increasingly new laws, for we have, after all, embarked on the path of the building of an independent, democratic and law-based state.

And the fact that on the one hand there has been a limitation of the study and, on the other, an increase in the volume of new laws testifies to the need for an intensive process of propaganda and explanation of the laws. A particular part of this work may be undertaken by the mass media.

The set of problems of economic transformations, cultural revival, and international life is topical and, hence, valuable in an information respect.

I am an avowed supporter of state support for and regulation of information processes in Ukraine. But of support if this regulation pursues the goal of noninterference in intra-editorial, organizational-economic processes or the subject matter of the publications and provision of the mass media with a single legal basis and the creation of equal opportunities for the establishment of publications in the period of the transitional economy. At the same time, on the other hand, I am opposed to state support amounting to state upkeep of the press on a share basis.

And one further essential point, in my opinion. If we are talking about the need for state support for the press under the present difficult conditions, the question of support on your part is obviously legitimate also. I mean that the fourth estate also, like the three preceding ones, should serve the interests of constitutional development and the interests of the Ukrainian people.

And to conclude this topic somehow, I would like to appeal to the history of journalism in general. At each historical state in any society, the names of politicians, journalists, and commentators have come to the fore. If there is such a name, there is a newspaper also. No name, no newspaper either. No radio broadcast. No television program.

Our people have already heard plenty of all kinds of slogans, from both the right and the left. From the center also. And they should not be considered children. Society has already endured the mass-meeting ailment and is longing for a thoughtful, convinced conversational partner. It is from this, in my opinion, that free, ramified, authoritative, and profoundly responsible press, radio, and television should begin. And today the entire essence of official policy with respect to the press should consist not of the creation of publications obedient to the corresponding state structures, but of the legislative assurance for them of the status of democratic institutions whose information becomes society's daily bread. And then the term "fourth estate" would be employed more often not in an ironic, but in a factual sense. For it is with good reason that the sages say that whoever possesses information is in charge of the situation. Produce as much information as possible that elevates the press to commanding heights. And how is this to be done? Answers to this question will, obviously, be provided by the present workshop.

The subject range of the press is wide, and the field of its influence, unlimited. But whatever topic the newspaper, radio, or television address—economics, politics, and domestic or international issues—and to whatever kind of audience the words are addressed, truth and justice and an impetus to creativity and conscientious labor to the benefit of the state proper and for the people and the nation should be programmed first and foremost, as soon as the journalist takes up his pen.

It is perfectly understandable that the question of the training of journalist personnel and the legal regulation of the activity of the mass media is a serious one today. Some things are being done in this respect by commissions of the Supreme Soviet. The Information Act has now been adopted, and a press law is being worked up, both of which fully apply to the mass media also. Work is under way on a further 10 bills. But journalists' involvement in this work is insufficient. Thought should, perhaps, be given to the question of the creation in Ukraine of a research center for studying problems of mass communications. After all, this work is clearly beyond the capabilities of several dozen lecturers of the two university journalism faculties, which are engaged predominantly in teacher training.

And we all need to give more serious thought to enhancing the professional attributes of our journalists. Journalism should, in our view, hold in high esteem competence, erudition, promptitude, human decency, high moral qualities, and respect for the individual. It is professionalism and the observance of high ethical standards which could help the press, radio, and television rid themselves of provincialism and the tangle of complexes and rise in this respect to the level of the journalism of the civilized world.

I wish you success, dear friends, in your noble and responsible work.

Thank you for your attention and for this opportunity to speak at this workshop.

## ECONOMIC AFFAIRS

### Kuchma Meets With IMF Representatives

93UN0402C Kiev URYADOVYY KURYER  
in Ukrainian 20 Nov 92 p 11

[Report: "Mutual Understanding Must Lead to Results"]

[Text] On 17 November Ukraine's prime minister met with representatives of the International Monetary Fund (IMF), headed up by Edward Brau, deputy director of the European Department 2.

The head of the Ukrainian government briefly informed his guests about the progress being made in economic reforms. In particular, he emphasized that—because of the procrastination and a certain populist policy on the part of the previous Cabinet of Ministers—Ukraine's transition to a market economy has not only been delayed but now requires the adoption of unpopular, administrative measures. Thus, for example, the failure to solve finance-credit and payments problems led to a situation whereby close to a third of the funds of Ukraine's national budget were in accounts of the Central Bank of the Russian Federation. Such delays cost us dearly in carrying out our monetary reform, and they were also costly for our agricultural workers: Due to a lack of funds for purchasing fuel, much of the abundant harvest had to remain in the fields.

Among the causes holding back economic reforms Leonid Kuchma also cited the absolute paralysis of the executive branch of power and the lack of any genuine, workable program for economic reforms. The concept created by the previous government of Ukraine making the transition to a market economy is a correct one, but it must be fleshed out with specific contents. Therefore, the new Cabinet of Ministers views its immediate task as stabilizing the economy by way of speeding up the introduction of market-type reforms. We must not simply declare, but actually introduce and carry out the demonopolization and privatization of property belonging to state enterprises. As of now, close to 95 percent of such enterprises are still owned by the state. There have also been delays in resolving the problems relating to the private ownership of land, and this factor has been seriously detrimental in attracting foreign investments. Kuchma noted that the government would bring this matter up before the parliament, but—unfortunately—there will still be delays and procrastination: land for construction plants, factories, and office buildings must be earmarked and allocated now. By lightening the tax burden and creating guarantees for capital investments, the government hopes to give the "green light" to commercial structures. In order to attract an influx of currency resources from domestic and foreign businessmen alike, the government looks forward to opening a suitable Ukrainian bank—one which would act as a genuine guarantor of their savings and make it convenient for these businessmen to deposit their funds.

In order to complete work on the reform program, a special working group has been set up; it is headed by Viktor Pynzenyk, vice prime minister and minister of economics. On the whole, as Leonid Kuchma announced to the IMF

representatives, in the future the Ukrainian government intends to concern itself solely with the problems of macroeconomics, working out and financing large-scale state plans and projects; in this regard, more independence will be acquired by the regions. At the end of his presentation the head of the Ukrainian government asked the IMF representatives to help his young state both financially and by their abundant experience. In particular, he requested assistance in those problems which we have "not yet surmounted": curbing hyperinflation while introducing a national currency, reducing the balance of payments, preparing a civilized system of statistical and bookkeeping computation, and so on, and so forth.

Edward Brau then expressed his own views on the situation, which—by the way—coincided with the words uttered by the Ukrainian prime minister on the principal points. In particular, he remarked that the amounts of technical and financial aid from the IMF would depend entirely upon the program of economic reforms and restructuring the economy, as created by the Ukrainian government. In order to create a genuine, well-reasoned "market" program and to implement it, the IMF experts are prepared to apply all their efforts, knowledge, and skills.

And so a common ground has been found between the new Ukrainian government and the IMF. We can only wish and hope that mutual understanding will likewise be found in the course of implementing what has already been outlined.

### Cabinet of Ministers' Appointments Reported

93UN0402A Kiev URYADOVYY KURYER  
in Ukrainian 20 Nov 92 p 2

[Report: "Appointments"]

[Text] The Ukrainian Cabinet of Ministers has made the following appointments:

**Igor Rafayilovich Yukhnovskyy**, first vice prime minister of Ukraine—as chief of the Currency and Credit Council of the Ukrainian Cabinet of Ministers, thereby freeing **Oleg Ivanovich Slepichev** from the duties of this post. Slepichev has been transferred to other work.

\* \* \*

**Mykhayl Panteliyovich Umantsya**—as chief of the Ukrainian State Committee for Profitable Uses of Nuclear Energy.

**Viktor Dem'yanovich Turakovych**—as first deputy chief of the Ukrainian State Committee for Land Resources.

**Borys Ivanovich Bondarenko**, **Leonid Hryhorovych Kalayda**, **Mykhayl Terentiyovich Mykhaylychenko**, **Viktor Mykhaylovych Moskalenko**, and **Leonid Yakovych Novakovskyy**—as members of the collegium of the Ukrainian State Committee for Land Resources.

**Administrative Officials on Implementation of State Property Fund Privatization**

93UN0314A Kiev VECHERNIY KIEV  
in Russian 3 Nov 92 p 3

[Interview with State Property Fund officials by Lyudmila Stukalina; place and date not given; under the rubric "The Economy and Life": "Certificate, Voucher, Check—All Just for You"]

[Text] The other day I read an advertisement in a Kiev newspaper about a Moscow resident who is selling his voucher for...freely convertible currency. The address and telephone number were for Kiev, and one could only be amazed by the fact that our local market is being filled with vouchers from a nearby foreign country. But what, were we born yesterday?

Having diagnosed the disease—the formation of statehood, which is accompanied by disrupted economic ties and failing production—our politicians have indicated the way to treat the ailment—moving toward a market economy, but not quickly, inasmuch as an immediate way to the market is not indicated for Ukraine. Thus we are assured by the politicians that by moving slowly and relying on the state sector, which will be partially privatized and will begin to work for the state, we will achieve prosperity.

At the same time, the standard of living is falling catastrophically, and while in July inflation was 25 percent, this figure has now increased, the dollar already costs 560 rubles [R] on the market and, as previously, 140-150 coupons are being given for a Russian ruble. However, a straw is being tossed out to the drowning, we are being given hope. The destatization of property is just about to begin, and a privatization account in the Savings Bank for 30,000 karbovanets-coupons will be opened for every resident of Ukraine, which he can invest in business.

I asked Vadim Vasilyev, chief of the main administration for strategy and methodology of reforming property of the State Property Fund, and his deputy, Anatoly Otchenash, to answer our readers' numerous questions. The first and most important one is: When will something nice be done for the citizens of Ukraine?

[Vasilyev] As soon as the government decree on opening deposit accounts appears. But before this it is necessary to compile lists of all citizens and to prepare the savings banks, local soviets, and structures within the organs of Internal Affairs that will be activated in this process. The fact is that there is no mechanism for mass privatization; after all, we are all learning—the workers at the fund and the Cabinet of Ministers—so it is necessary to treat this with understanding. It is probable that this will start on 1 December, but, more realistically, in the New Year.

[Stukalina] Why is the privatization check denominated in the sum of 30,000 karbovanets-coupons?

[Otchenash] Every citizen of Ukraine receives the right to a free transfer to him of a part of state property for precisely this sum. This figure emerged from a calculation conducted on the basis of indexed estimates of the value of

state property subject to privatization, taking into account each of the 52 million citizens of Ukraine.

Moreover, I want to note that, in addition to the certificate, we will all become the possessors of a housing check in the sum of 12,000 karbovanets-coupons and a land voucher whose value has not been established yet.

[Stukalina] What part of the property of an enterprise can be acquired?

[Otchenash] We are not privatizing by part, but by whole; moreover, based on the interests of the labor collective, the citizens of Ukraine, and the state.

Members of the labor collective, after uniting in a society of purchasers, have the right to acquire shares of stock based on the value of the certificate, and also to invest in the purchase of other resources; an unused housing check and money from their savings bank book are entered into separate accounts which, according to the president's edict, are indexed by a factor of two. In other words, a worker at a state enterprise has a right outside of competition to invest his certificate in securities (shares of stock) of his enterprise and also to buy more for a sum equal to half of it (that is, for another 15,000 karbovanets coupons).

The remaining shares of stock are sold on a competitive basis, and they can be sold to foreigners from nearby or remote foreign countries for hard currency. Moreover, some installations will be privatized exclusively for freely convertible currency, in the event of a need for technological reequipping of an enterprise, etc.

[Stukalina] Will it be possible to buy entire establishments?

[Vasilyev] It is possible, if we are talking about small privatization, the object of which will be a small enterprise whose value does not exceed R20 million. After all, take into account that, most of all, it is trade, public catering, consumer services, the light and food industry, housing and industrial construction, and motor vehicle and river transport that are subject to destatization. And there are quite a few like this here whose asset value is not that great.

[Stukalina] But will it not turn out that the tastiest morsels will be distributed inside the collective, and that nothing will be left for outsiders?

[Otchenash] In the process of privatization, joint-stock companies of the open type are established on the basis of production; this means that it is not property that will be privatized but shares of stock that grant the right to receive dividends and the right to participate in the general stockholders' meeting.

[Stukalina] But are there enough shares of stock for all citizens of Ukraine?

[Otchenash] I foresee complications with production of the closed type established as a result of leases. There are quite a few of them, but the share of their assets amounts to one-sixth of the privatized property. If we decide what to do with them, and make adjustments in the Law on Leasing—no one will be deprived of his share.

[Stukalina] What benefit is there to an enterprise that sells its shares of stock?

[Otchenash] In the process of establishing a joint-stock company, it shifts to the status of a joint-stock company that is administered by a mechanism developed over many years of experience, and it acquires an opportunity to attract an additional influx of investments paid for by investors.

[Stukalina] Elderly people are asking what to do with a certificate that is impossible to sell: They need the money today for medicine, food...

[Vasiliyev] This is a difficult question, and it should be addressed to parliament. I can say this: By investing the resources of a certificate, the citizen will collect a profit for years. If a person fears for his health, he can bequeath the shares of stock after acquiring them, like any securities, and also the right of subscription after verifying it with a notary.

[Stukalina] Can one invest certificate resources in opening new production, one's own business?

[Otchenash] No, the certificate certifies a part of property that is already established through state ownership.

#### **Commercial Banks Licensed To Conduct Hard Currency Transactions Listed**

93UN0301B Kiev URYADOVYY KURYER  
in Ukrainian 30 Oct 92 p 6

[List of commercial banks licensed by the National Bank of Ukraine to conduct hard currency transactions]

[Text]

#### **Kiev**

1. Ukrainian Joint-Stock Commercial Industrial Investment Bank
2. Agroindustrial Commercial Bank Ukrayina
3. Republican Ukrotsbank
4. State Savings Bank of Ukraine
5. State Export-Import Bank
6. Ukrinbank
7. AK Budbank [Joint-Stock Commercial Construction Bank]
8. AZhIO [expansion not given]
9. Kiev People's Bank
10. Lehbanks
11. Brokbiznesbank
12. INKO [expansion not given]
13. Vidrodzhennya
14. Hrado-bank
15. Enerhobank
16. Ekspobank

#### **Dnipro**

17. Dnipro
18. Donvuhlekombank
19. Ikar-bank
20. First Ukrainian International Bank

#### **Uzhhorod**

21. Lisbank
22. Nevikon-bank, Sevastopol

#### **Lviv**

23. Elektrobank
24. Western Ukrainian Commercial Bank (AT ZUKB)
25. Verkhovyna
26. Halytskyy

#### **Kharkiv**

27. Kharkivkombank
28. HRANT [expansion not given]
29. Innovation Commercial NPK Bank [Nauka, promyslovist, kultura—Science, Technology, Culture]
30. Kharkivlebank
31. Promin
32. Dobrodiy

#### **Rivne**

33. Ekonombank

#### **Chernihiv**

34. Chernihivbank

The editorial board of the URYADOVYY KURYER has been informed that taking account of the need to systemize the regulations governing hard currency transactions on the territory of Ukraine and the need to ensure that commercial banks meet the technical and professional requirements to perform these transactions, the National Bank of Ukraine has temporarily suspended consideration of applications for licenses to conduct hard currency transactions.

#### **MVD Criminal Center Experts Discuss Counterfeiting of Coupons**

93UN0301A Kiev URYADOVYY KURYER  
in Ukrainian 30 Oct 92 p 6

[Conversation with experts at the Criminal Center of the Ministry of Internal Affairs by Volodymyr Ilchenko: "Counterfeit Coupons Require Special Tracking"]

[Text] Wherever you have real money, you always have counterfeit bills as well. Although one can hardly call our coupons real money, this unfortunate fate has not passed them by. Small wonder: although the coupon has now been assigned the role of a national currency, it is not up to the standard of a real currency in terms of quality and safeguards against counterfeiting.

The Criminal Center of the Ministry of Internal Affairs has a whole "repository" of such "money." Reddish "shtuky" [1,000 rubles], brown "sotky" [100 rubles], green "pol-tynyky" [50 rubles], violet "chervatky" [25 rubles]—full chests of colorful bits of paper. Our conversation with experts from the center took place right in the midst of this colorful "wealth" (certain considerations have prompted us not disclose the names of the people with whom we spoke).

[Expert] Nearly 14 million rubles' worth of counterfeit coupons have been found in Ukraine. The Criminal Center receives bills in denominations of 1000, 100, 50 and 25 rubles for analysis. As a rule, "small change" is not

counterfeited, because the forgeries would cost more than the face value of the bill itself.

[Ilchenko] How can one distinguish a real coupon from a counterfeit one?

[Expert] Bogus bills also differ from one another. While some counterfeit bills are criminal works of art, others are carelessly and hurriedly made. But in either circumstance, it is not hard to distinguish between real and counterfeit money, even with the naked eye. Some bills are only partly counterfeit, while others are wholly counterfeit, produced with the help of printing equipment.

[Ilchenko] Does that mean that you can "print" "money" at home?

[Expert] Only at a very primitive level, let's say, for the purposes of partial counterfeiting. This requires the use of a genuine coupon or part of one. Mostly, ruble notes are "reprinted" as hundred-ruble bills. The "experts" erase the denominated value and superimpose new numbers with added zeros. Another now well-known method involves splitting apart one-ruble and one-hundred ruble bills and pasting together the obverse of one to the reverse of the other. Thus one hundred and one rubles produce two hundred. It's "profitable" but dangerous. It is easy to get caught.

To produce completely counterfeit bills, you need printing equipment. As a rule, such "money" is not made at home. Obviously, such fakes are more difficult to distinguish from authentic currency. Here you need to look at the quality of the paper, the colors used, and the presence of watermarks. Take a counterfeit coupon and look at it against the light. It has no watermarks, the quality of the depicted image is inferior, and the paper is often thinner than that of real money. The fine lines have not been reproduced, there is smudging. The color has bled in the tracery ornament near the word "Ukrayina" on 100-ruble notes. In various counterfeit bills, the so-called protective screen (the depiction of rays on the face of the note) contains one or more colors that do not correspond to the color or colors of the original. In 1,000-ruble notes, in addition to the features already mentioned, you need to check carefully the optical window—the circles on the left half of the coupon on both the front and back of the coupon. If the bills are genuine, the circles match.

[Ilchenko] Will checking all these things be enough to enable one to detect whether the coupon is real or counterfeit?

[Expert] Usually, yes. Instead of a watermark, some bogus coupons bear an imitation on the surface of the paper in the form of greyish stripes.

To make absolutely certain that bills are counterfeit, they are put under ultraviolet rays. Genuine coupons reveal special markings that are missing from counterfeit money.

[Ilchenko] Where do such coupons come from?

[Expert] Different places... Including from outside Ukraine. But it is premature to talk about this—the

investigation is not complete. Such "money" comes to us, as a rule, from banks that detect these forgeries.

[Ilchenko] What should a person who has found the distinguishing marks you describe do? Going to the militia means losing a certain sum of money, even if counterfeit, that found its way into one's wallet by accident.

[Expert] That's not so. You must certainly report counterfeit money to the nearest militia department. And the loss caused by counterfeit coupons is covered by the state if there is no proof that their owner acted deliberately.

#### Directive on Working Group To Develop Mechanism for Monetary Reform

935D0137A Kiev URYADOVYY KURYER  
in Ukrainian 20 Nov 92 p 15

[Directive No 733, Issued by the Ukrainian Cabinet of Ministers, Dated 8 November 1992: "On a Working Group To Develop a Mechanism for Carrying Out Monetary Reform"]

[Text]

1. In order to implement the Edict issued by the president of Ukraine on 7 November 1992 "On Reforming the Ukrainian Monetary System," a working group shall be created for the purpose of developing a mechanism to carry out monetary reform, and it shall be composed of the persons listed in the attached appendix.
2. It shall be established that the above-mentioned working group shall perform its work under the direction of the State Commission for Carrying Out Monetary Reform in Ukraine.
3. The members of this working group shall be freed from the necessity of performing their service duties and obligations at their principal places of employment, with retention of their salaries for the period required by them to develop the mechanism to carry out monetary reform.
4. Material incentives shall be set up for the members of the working group. They shall be in the form of supplementary payments amounting to as much as 50 percent of the member's basic salary at his regular place of employment.

The Ministry of Finance shall finance the indicated outlays and expenses by means of the funds provided for in the state budget for maintaining and supporting the state executive organs.

5. The National Bank of Ukraine, ministries, departments, and other state institutions shall facilitate and assist the activity of the working group. They shall also grant its requests for appropriate materials and information.
6. Within a two-day period the Ukrainian Cabinet of Ministers Economic Administration shall provide the working group with the necessary space, furniture, and equipment.

[Signed] L. Kuchma, prime minister of Ukraine

**Appendix to Directive No 733, Issued by the Ukrainian Cabinet of Ministers, Dated 8 November 1992**

**Composition of the Working Group To Develop a Mechanism for Carrying Out Monetary Reform**

**M.I. Syvulskyy**—first deputy minister of finance, Ukrainian Ministry of Finance (group director)

**O.V. Savchenko**—professor at Kiev State Economics University (deputy director)

**O.V. Kabro**—deputy chairman of the board, ANTEK Joint-Stock Nank (on a contractual basis)

**S.O. Yaremenko**—chairman of the board, Ukrainian State Bank for Export-Import

**O.M. Sharov**—deputy chairman of the board, National Bank of Ukraine (on a contractual basis)

**V.M. Kambo**—consultant, Ukrainian Minsistry of Economics

**S.A. Terokhin**—economic adviser, Ukrainian Ministry of Economics

**M.M. Yuzifovich**—chief specialist, Economics Department, Ukrainian Cabinet of Ministers

[Signed] A.Lobov, minister, Ukrainian Cabinet of Ministers

**Decree on Forming Taxable Income of Foreign Juridical Persons**

**935D0137B Kiev URYADOVYY KURYER**  
in Ukrainian 20 Nov 92 p 13

[Decree No 625, Issued by the Ukrainian Cabinet of Ministers, Dated 12 November 1992: "On Special Features of Forming the Taxable Income of Foreign Juridical Persons"]

[Text] In accordance with Article 15 of the Ukrainian Law "On Taxing the Incomes of Enterprises and Organizations," the Ukrainian Cabinet of Ministers hereby **decrees** the following:

In 1992 special features shall be established for forming the taxable income of foreign juridical persons as follows:

a) For tax purposes the gross income of a foreign juridical person shall be reduced by that portion of the income which is obtained from foreign-trade operations which are carried out exclusively in the name of the foreign juridical person concerned and connected with products (work or services) in Ukraine, as well as from goods exchange and operations involving the export of goods (work or services) to Ukraine, provided that the juridical person has stayed in Ukraine long enough to become the owner of the goods (work or services) produced prior to taking them across the Ukrainian state border, with the exception of income obtained from the sale of products from warehouses situated on Ukrainian territory and belonging to foreign juridical persons or leased by them;

b) In case the foreign juridical person performs his activity not only in Ukraine, but also beyond its borders and,

furthermore, does not earn any special kind of income which would allow his total income to be designated as derived from activity performed by him through a permanent agency in Ukraine, the total income subject to taxation in Ukraine can be specified on the basis of designating calculated, agreed-upon tax payments made to the tax organs, which shall monitor his payments into the budget;

c) If it is impossible to determine by direct calculations the taxable income (profits or capital gains) obtained or received by a foreign juridical person from activity in Ukraine, it can be designated by an appropriate tax organ on the basis of the gross income or by computing the earnings based on a profitability norm of 30 percent.

[Signed] I.Yukhnovskyy, first vice-prime minister of Ukraine

[Signed] A. Lobov, minister, Ukrainian Cabinet of Ministers

**International Telephone Station Begins Operating in Kiev**

**93UN0402B Kiev URYADOVYY KURYER**  
in Ukrainian 20 Nov 92 p 1

[Report: "Calling Washington? What Problems!"]

[Text] A telecommunications bridge to 167 of the world's cities was completed by the opening of the Ukrainian International Telephone Station in Kiev on 17 November.

Ukraine's President Leonid Kravchuk took part in the ceremony marking the opening of this station. In particular, he proclaimed that their was an action of great importance because until such time as a precise, well-developed infrastructure is developed—consisting of good, reliable transportation and communications—it will be difficult for businessmen to work in Ukraine. Leonid Makarovych made the first telephone call to the Ukrainian ambassador in the United States, Oleg Bilorus.

Construction, renovation, and installation of this facility were accomplished in only nine months. This is not surprising because the operations were performed by such world-renowned firms as Siemens and MKM [expansion not given] Telecom. This station will be operated by the EUTEL public enterprise.

Putting the new international station into operation will enable the inhabitants of Ukraine to quickly and easily make direct, automated telephone connections with the countries of Western Europe, as well as with the United States. For the inhabitants of Kiev this station will likewise provide service for intercity conversations. In addition to this, from now on, 16 of Ukraine's 25 regions will have the possibility of direct, automated dialing.

**Causes of Recurrent Labor Strikes Examined**

93UN0353A Kiev RABOCHAYA GAZETA in Russian  
29 Oct 92 p 2

[Article by V. Gulyayev, researcher at the Ukrainian Research Institute of Labor, Lugansk: "Woe from Wit? Or, What Is the Cause of the Constantly Rising Wave of Strikes? A Scholar's Opinion"]

[Text] And Not To Build a Wall.

When you ask the question, what is the cause of the labor conflicts and strikes shaking our society, the most obvious answer comes to mind: our poverty. It is said, we live poorly, and therefore we strike. And at first glance this conclusion is fully justified. It is easily inserted into the classic formula: existence determines consciousness, the economic basis determines the superstructure. But is it all so simple in actual fact?

We are not satisfied by our existence. Our nation's sociology discovered this fact several decades ago and with every year always noted more and more dissatisfaction. At first cautiously, touching only dissatisfaction with work; but now we stand before total dissatisfaction of all and with all, although the "leadership" of the productive sphere in this "competition" is indisputable. Studies carried out during these years, have shown that the share of those dissatisfied with their work has increased several times and passed the critical mark of two-thirds. It is possible to say, that now a qualified majority of workers are dissatisfied. Not all causes are listed. There are wages, and conditions of work, and the technological level, and the health and ecological condition of the productive environment. Studies by the Ukrainian Research Institute of Labor, carried out in 1988-91, point to a very serious conclusion: it is hard to find today any sphere of activity of a contemporary enterprise, which would satisfy even a half of its workers. A more than eloquent symptom. However, if we were to try to explain the reason for the strike wave only by dissatisfaction with conditions of labor and wages, we would make a major mistake.

It will not be denied, that the unwillingness of people to reconcile themselves with their standard of living and the social and economic environment has increased parallel to the growth of the level of information of the population about other "worlds," about the levels of life among "them," which has penetrated into our consciousness in spite of the "iron curtain" and the powerful system of disinformation erected by totalitarianism. It was impossible to do anything with this; we were fated to experience shock just from the single idea, that we lived hardly at all worse than everyone. And we wished to live better. This should not be forgotten, while cursing the initiators of restructuring for the headlong fall we are now carried away with. Did we not really say: "We pretend that we work because they pretend that they pay us"? In fact, the initiator of restructuring was the entire nation. This is the task it gave to the rulers—to lead the country out of the quicksand of growing contradictions.

So can the growth of the level of information of the population be the main cause of conflict? Close the channels, surround with an impenetrable wall—and everything will stay in its own place? Alas, even a child can understand, that already there is no way back, and we cannot for anything return to a state of undisturbed ignorance. And to build a wall, and consciousness "spoiled" by information, indeed to live as before, is not wished for. Moreover, a study carried out this year by our institute among various categories of workers showed that only 13 percent of the population able to work connects stabilization in the economy with a return to the society with which we are already finished. The rest understand that you cannot step twice into one and the same river.

But it is nonetheless necessary to save oneself from the stormy torrent of the bursting strike flood. But how can this be done, considering the developing situation? It is easy to construct a chain of logical conclusions from recognition of the facts of a "bad life," of the level of information about a "good life" and the universal striving to pass from the bad to the good. We have done this up to this time. We have drawn analogies and demanded that we get what they have. But the faster we went, the farther we got from the desired standard of living. Swinging away from the false, but well worn course of the party of Lenin, we lost support and were whirled in a vortex of instability. What is happening: we went along the false road, but to turn onto the right one is impossible for us, it will be even worse?

How absurd! The whole world more or less goes on a single road of progress, but we, you see, are commanded by an implacable fate not to turn from the way and not to change horses. We have already turned from the road predetermined by the party, and we will not turn back, no matter that this is demanded by those 13 percent. Because that water has already been poured out, as M. Gorbachev loved to say, the process is done, and history is already writing itself.

**To Howl by Which Rules?**

But we are not at all pawns in this process. Although I understand and in part agree with those participants in our studies, who stated that they have not the smallest possibility of influencing events taking place in our society (and these came to 61 percent). These answers are permeated with social apathy, and indifference. But if one looks at the interaction of the masses and history from the other side, then it is easy to discover that any of our actions, if it is on a mass scale, makes a little person a coauthor with history.

"What sort of temporary credit of trust do we, the little people, give to the politicians for the resolution of the burning social issues of the day?"—this is how one of the questions of the questionnaire was put. About 70 percent of those questioned do not wish to suffer the confusion of the transition period for more than three years, and 52 percent demand an immediate improvement in the situation. These are such unexpected results, but they exist, and there is no way for politicians to get away from them. From this comes the hurried and superficial nature of many of their decisions; they understand after all perfectly well that the

impatient masses are still the strongest argument. This is one more reason for the growth in conflict—our wish to leap immediately from the world of poverty to the world of plenty, and unwillingness to consider the huge difficulties and objective obstacles.

Thus, on the one hand, a bad life and our awareness of this fact, on the other impatience in striving to get good living conditions. The contradictions of these two factors are quite enough to electrify society.

But if only these two factors alone agitated it. On beginning to unravel the tangle of contradictions, you become convinced, that one cause comes out of the other and brings with it new ones, an intertwined net enveloping us, like a web. One of the factors which has so unexpectedly announced itself in the last year is universal unbelief and the mistrust which is related to it. In our study, it was found that trust as a condition of social consciousness is very low. In characterizing the dominant "atmosphere" in society only 1.4 percent of those surveyed stated that they do not consider themselves deceived, 71 percent stated the reverse, and only 26 percent considered that the atmosphere of deception partly dominates among us. The question arises: if an overwhelming majority of us are convinced that we live among wolves, then by which rules will we howl, by what will we be led in the striving of each to tear off his own piece.

The symptoms of the "ethic of the jungle" are already evident in the competition of various classes of workers on the race track of demands for increased wages, where constantly the leaders change and where each fears to hold back, since they are convinced from the start that there will not be enough for all. Each does this because he does not wish to wait and is certain that all the others are trying to deceive him.

In the escalation of labor conflicts, the strike boom has two basic causes: the artificial command economy which has led us into the quicksand of the exhaustion of natural and labor resources, and the totalitarian culture which has nurtured in our consciousness primitive values, primitive thinking, and primitive means of interaction between different social groups.

#### **Without It—Not a Step.**

First of all, the prevailing system of management and property in the means of production has led to the situation, that only in the hands of the state are concentrated all material values. And at the other pole are gathered all those who can demand and receive—the workers. Between them there is no mediator, no intermediary link, or any sort of shock absorber. The state has to convince the workers that it does not have enough to satisfy all claims. But on the other hand, the workers have no experience in the evaluation of the economic justification of their demands. In these circumstances, it is necessary that an element of competition appears. There is one goal—the state's storehouses, and there are many participants in the competition.

Another circumstance of the intensification of conflicts in society is connected with the preceding. The state is not only the employer, paying us for work, but it is also

authority. Dissatisfaction with the employer necessarily takes on a political coloring and many forces, which wish to retain or redistribute power, participate in this process. So if it were possible to purge of politics labor relations between workers and employers—labor conflicts would move much more quietly. But to understand the range of motives which have drawn us into strikes is much more complex than it seems to us. For this one needs a higher culture of thinking, than that which we now possess.

First of all, what is culture? In sociology, as culture is understood the system of values and norms regulating our behavior. This is by no means what is left after production and politics, but what regulates our behavior both in production and in existence. Our culture can be good or bad, high or low, but it is always with us. Without it we do not take a step.

As an inheritance from the recent past we got a so-called patriarchal culture, the essence of which is contained in the fact that in society a type of interaction between people and social groups dominates, based on command and submission. The system of totalitarianism counted on this and either restricted or suppressed everything else. Argument is also one of the forms of social interaction. It was either extinguished, if it was directed against the ruling system, or made use of, when it was necessary to incite one part of the population against another, in the most cruel and savage forms. And so it turned out that we are very much able to be enemies and to submit well, if pressed. But we are able poorly to work together and compete. This is how we were trained.

And suddenly freedom! This is a completely different epoch, presupposing a different culture, different relations. Among us, superimposed on patriarchal culture, the habit of commanding and submitting, the absence of habits of building good relations with other people, based on social cooperation in partnership, it evoked an unforeseen breakdown of traditional mechanisms of behavior. Its collision with primitive forms of social interaction evoked in the societal organism the dangerous sickness of self-destruction.

Certainly, this is a sickness. It is unavoidable, as in general is the majority of sicknesses. And there is nothing left for us to do but to overcome it. The social crisis evoked by restructuring will continue not only and not merely as a reflection of the economic crisis, but until such time as societal consciousness is ruled by an idea consolidating all of society.

#### **From the editors**

Having received this material by mail, we could not help but pay attention to it. It is not so often nowadays that scholars treat the editors of newspapers with their observations and conclusions about the processes taking place. And even more, address such a vitally important theme, as the strikes which are shaking our society more and more often.

We think that it will not be without interest for our readers to acquaint themselves with the statistics of the latest surveys which were carried out by the Ukrainian Research Institute of Labor. The conclusions of the author seem also

not without interest. Although, probably, they are debatable. Here is something to consider and discuss; what is primary, and what is secondary, how much does existence determine consciousness, and the universal catastrophic impoverishment—the ability to rule oneself, to resolve conflicts, which not rarely were programmed in advance, by civilized means.

Certainly, a strike is an extreme method of struggle. Moreover, in our society neither legal norms, nor criteria have been worked out, which give the right to affirm which strike is legal, and which is not, and by which means (really only by appeals!) a working person, or rather those on the bottom, can show those above that their patience is not limitless and that they, driving it in, have the right to human life.

One thing is certain; rather than learning how to carry out strikes in legal and civilized fashion, it is better to build a society, in which they will be excluded entirely as unnecessary. In this not the least role will be played by the level of consciousness of people, and the level of culture, and, certainly, the level of the economy, capable of feeding and clothing the nation. And is it possible, that the readers have another prescription for protecting our society from social shocks, for consolidating it and making it happy?

### Economics Statistics January-October 1992

93UN0381A Kiev URYADOVYY KURYER  
in Ukrainian 13 Nov 92 p 10

[Report by Ukrainian Cabinet of Ministers Economics Division: "The Ukrainian Economy: January-October 1992"]

[Text] **Industrial output** during the first 10 months of this year was 9.7 percent less than during the same period of last year (for the first 9 months this figure was 9.8 percent, while for the first six months it was 12.3 percent). The following items declined by more than one-third: production of tires for farm vehicles, excavators, diesel locomotives, and color television sets. Production of mineral fertilizers, forging-and-stamping machinery, and silk fabrics fell off by one-fourth. The output of railroad cars, metal-cutting equipment, paper, footwear, and knitted items declined by 17-22 percent.

**Outlays of working time** in industry during the period from January through September amounted to 8.8 million man-days; as calculated in monetary terms, this means a shortfall of 1.7 billion karbovantsy.

The number of enterprises, institutions, and organizations whose workers took part in **strikes** increased, as compared with the equivalent period of last year by a factor of 10 for the national economy as a whole (in absolute terms, rising from 208 to 2,235). The greatest number of such enterprises are located in Dnepropetrovsk and Donetsk oblasts—with 599 and 1,370 strikes respectively. As a result of such strikes, the outlays of working time amounted to 863,000 man-days, whereas the shortfall in products (uncompleted work) came to 451 million krb [karbovantsy]; this is 25 percent more than the same period of last year.

The volume of **industrial products remaining undelivered to consumers** during October increased by 7.9 billion krb, and during the 10-month period under review it amounted to 70.8 billion krb.

The **drawing up and concluding of contractual agreements** for the delivery of products in 1993 remained at a low level. As of 10 October, the volume of products for which contracts had been drawn up stood at 415.2 billion krb, or only 13.8 percent of the volume predicted for the entire year (in 1991 this figure was 21 percent). This is less than half (actually 47.8 percent) of the volume for which contracts had been drawn up; products comprising state orders, and the levels of agreements for these products stood at 20.9 percent.

**Consumer goods** during the first 10 months of this year were produced in an amount worth almost 1,156 billion krb, which is 89.6 percent of the level reached during the corresponding period of last year. Of these, nonfood items accounted for 528 billion krb, or 92.7 percent.

Production of goods for the population declined at more than half of the enterprises, and the overall decline for the country as a whole on account of these enterprises amounted to 206 billion krb. The principal causes of such a situation are the lack of a sufficient quantity of the necessary raw materials and other materials, as well as the excessively high prices on finished goods.

The list prices of manufactured items went up more than 10-fold; and in connection with this, the trade organizations frequently cannot sell such items, and large amounts of unsold products are piling up at the enterprises. Thus, for example, the Ukoospilka centers have refused to take delivery from the Kharkov Tractor Plant of 600 units of the T-012 light tractors, worth a total of 50 million krb. Refrigerator trucks turned out by the Kiev Elektropobutpriyad VO and household refrigerators made by the Vasilkivsk Refrigerator Plant have remained unsold. The situation is analogous at enterprises of the metallurgical complex.

Goods produced by **light industry** comprise 37 percent of nonfood items. But—just as before—there are virtually no raw or chemical materials being imported because of our lack of hard-currency resources.

Due to the shortage of raw materials and other materials, the production volumes in the garment industry, as compared with the corresponding period of last year have declined by an average of 25 percent, those of knitted goods—by 18 percent, stockings and socks—by 4.5 percent, and footwear—by 16 percent.

The situation in the cotton-spinning sector has become sharply worse. The principal supplier of cotton—Uzbekistan—raised the prices on it during the fourth quarter from 170,000 to 303,000 krb per tonne. As a result of this, the enterprises producing consumer items made of cotton have become insolvent.

**Medicinal items** in Ukraine are produced at 17 enterprises of the Ukrmedbioprom concern. During the first nine months of this year they turned out a total of 5.2 billion krb worth of these products, which is 19 percent less than

in the corresponding period of last year. The output of X-ray and other diagnostic-type units declined by a factor of three or four (2.8 million less ampoules were produced), as well as preparations for treating sugar diabetes (262,000 packets), and eye diseases (4.2 million packets). The production of preparations for treating psychoneurological, oncological, cardiovascular, diseases, as well as those for treating diseases of the endocrine system, and the digestive organs, was reduced by 21-44 percent. Anti-tuberculosis preparations and vitamin preparations were also cut back. On the whole, out of 42 groups of medications which are commonly used for treatment, a decline in production occurred in 26 (62 percent).

The principal reason for such a decline in the production of medicinal items is the lack of providing the enterprises concerned with raw-material resources, which used to be obtained either from the republics of the former USSR, or imported from abroad. More than 30 percent of the medicines used to be made from imported raw materials, and—therefore—the lack of hard currency to purchase such materials has had an extremely negative effect on production. Deliveries of raw materials and other materials for Ukraine's pharmaceutical and enterprises are also at a low level of performance.

The price rises on medicinal items has led to a situation whereby most persons are unable to afford them. According to data from the Ukrmedbioprom concern, as of 1 October, the enterprises' warehouses had remaining in stock more than 30 percent of the medicines produced, worth a total of 737 million kr. Moreover, debts amounting to almost 3 billion kr—debts incurred for obtaining these products—have remained unpaid.

The production of food items during the period of January-October of this year—as compared with the corresponding period of last year—declined by 14 percent. There were significant reductions in the production of meat (by 23 percent), butter (by 20 percent), products made from pure, unadulterated milk (by 29 percent), rich cheeses (by 31 percent), canned milk, meat, fruits and vegetables (by 30, 16, and 6.4 percent respectively).

The reasons for the decline of the production of these items are the lack of raw materials for the enterprises involved, as well as a shortage of installations and sections for reserve supplies.

The production of bread and other bakery items is almost at last year's level, but the needs of the oblasts for flour are not being fully satisfied. In connection with the fuel shortage, there has been a cutback on the delivery of bread to the rural population centers, and—at the same time—there have been obstacles to its sale to the population in Sumy, Poltava, and Volynsk oblasts.

During the reporting period Ukraine's sugar mills managed to process 26.1 million tonnes of sugar beets and produce 2,339,000 tonnes of granulated sugar. That is 18 percent more than during the comparable period of last year. At the same time 2.4 million tonnes of beets were not harvested from the fields. Of 192 sugar mills, only 16

received beets for processing, including 11 mills due to the lack of raw materials, and 5 in connection with a shortage of mazut-type fuel oil.

An unsatisfactory situation has also evolved from the lack of deliveries of raw materials to enterprises of the oils and fats industry. The pace of sales of sunflower seeds to the state has declined. Whereas by 4 November 1991 some 1,741,000 tonnes of them had been purchased, in 1992 the figure was only 1,231,000, or 39 percent less. In Odessa and Mikhailovskoye oblasts the purchases of sunflower seeds declined by more than half.

The number of registered unemployed persons in Ukraine during the first nine months of this year grew by a factor of nine, and—as of 1 October—it amounted to 60,700. Among the unemployed persons who registered in September, three-fourths were women, and two-thirds were office employees. According to an estimate by the Ukrainian Ministry of Statistics, if the growth rate of unemployment remains at the level attained by the third quarter of the current year, the number of registered unemployed persons on 1 January 1993 will be close to 105,000.

At the beginning of September 160,800 citizens were registered at the public employment service offices; they required help in looking for work. During September 21,800 persons were placed in jobs.

According to data from enterprises and organizations, as of 1 October, the total need for employees to fill job vacancies was more than 149,000. Of these, only 8,900 were for office-type positions. At the same time, during August-September alone 18,500 unemployed persons from among office employees registered.

The process of destatization is continuing; it is taking the path of the buyout or free transfer of state enterprises to the ownership of the work collectives, the transformation of certain enterprises into joint-stock companies, or the conversion to a leasing form of economic management.

Thus, in industry the number of collective enterprises during the first nine months of this year grew from 18 to 41, or by a factor of 2.3, and became 0.6 percent of the total number of enterprises in this sector.

As of 1 October of this year, 41 joint-stock companies were registered (at the beginning of the year there were 9). Among them were enterprises in the following lines: timber, local, electronics, television equipment, and electric household appliances. Their specific weight was 0.6 percent (as compared to 0.1 percent at the beginning of the year).

The leasing form is becoming very widespread. As of 1 October of this year, some 1,200 industrial enterprises were working in accordance with leasing agreements (more by a factor of 1.6 than at the beginning of the year), that is, almost one out of every five in this sector.

As of 1 November, 4,773 commercialized retail-trade enterprises had been created in Ukraine; they are legal entities (as of 1 October 1991 there were 4,027). They included 9,377 structural subdivisions (stores and stands), as well as

1,574 commercialized public-dining enterprises (as compared to 1,273 at this time last year).

#### Monetary Incomes and Expenditures of the Population

The precipitous development of the inflationary processes (the monthly inflation rate exceeds 30 percent) has brought about an increase in the monetary incomes of the population over the first nine months of this year, as compared with the corresponding period of last year, by almost 1 trillion krub, or by a factor of 8.7 (in Russia this figure is 6.9 and in Belarus—6.5). The wages of workers and the salaries of office employees grew by an outstripping pace of 10.4.

The population's monetary expenditures increased at a slightly less hectic pace and grew by a factor of 7.2 (in Belarus this figure was 6.1, and in Russia it was 4.8). The proportion of the expenditures by the population of Ukraine for purchasing goods and paying for services amounted to 62.5 percent of the monetary income. The purchase funds for goods and services increased by a factor of 9.3 and grew during the January-September period by 74.5 percent (in 1991 it had grown by 94.8 percent).

The ratio of the income growth rate to that of expenditures in Ukraine amounted to 1.22; in Russia it was 1.44; and in Belarus it was 1.06. This attests to the fact that the gap between monetary income in Belarus is significantly less than in Russia and Ukraine; in the consumer market a less favorable situation evolved. As a result of this, a greater amount of money has been piled up, which—in turn—has led to a new spiral of inflation and a de facto devaluation of the money. This is bringing about changes in the structure of the population's monetary savings. Whereas over the last 15 years there was a more or less stable structure in savings—money could earn from 15 to 25 percent, and very large deposits—as much as 68-75 percent, in 1992 this ratio has sharply changed. As early as 1 July it had become 50 and 47 percent respectively, and by 1 October it stood at 58 and 40 percent.

The volume of retail-goods turnover during the first 10 months of this year amounted to 821.7 billion krub, which—in actual prices—exceeds the level of the corresponding period of last year by a factor of 8.3. In comparative terms, however, it declined by 23 percent.

The index of consumer prices for a fixed "basket" of goods and services, which is suitable for a minimal consumer budget during September 1992, as compared to the May price levels, amounted to 184.8 percent; this includes food products—192.1 percent, nonfood items—147.4 percent, and services—229.5 percent. The greatest price increases were as follows: sugar (by a factor of 7.8), milk and sour cream (by a factor of 6.2), manna groats (by a factor of 6), pasta-type products (by a factor of 5.1), and wheat flour (by a factor of 4.6).

Data gathered from a one-day survey of price levels attests that during May, as compared with August—their most significant rise occurred on such food items as vegetable oil (by a factor of 2.3), eggs (by a factor of 1.7), salt and tea (by a factor of 1.5). There has been a continuing and prolonged rise in prices on bakery products, vegetables, and apples. Boiled sausage and beef have become somewhat cheaper.

Proceeding on the basis of prices registered in state trade on the day of the survey, the cost of a fixed "basket" of 22 vitally necessary food products (going by the number actually being consumed in families) increased by 18 percent for the month for Ukraine on the average. Among the places in which the survey was conducted, the highest prices were ascertained in Odessa, where this "basket" cost 12 percent more than the average for Ukraine. In Donetsk it cost 9 percent more, in Kiev—8 percent more, in Zaporozhye—7 percent more, and in Lvov—5 percent more.

The cost of such an assortment of goods and services would be significantly less than the average for Ukraine (by 9-10 percent) in Ternopol, Poltava, Sumy, and Mikolayev.

#### Interstate Agreements Carried Out Between Ukraine and Russia

Ukraine's enterprises are working to carry out interstate agreements to deliver products and commodities to and from the Russian Federation. Thus, for example, according to calculations made by Ukraine's Ministry of Statistics, in 1992 there will be complete shipping of manufactured and engineering products in accordance with interstate agreements for coal, white tin, plastics, low-power electric motors, power cables (hose-type and cutting-type), cold-storage plants, tractor ties, and wool yarn.

At the same time, one senses a failure to carry out interstate agreements with regard to deliveries of cable-wire products, tower cranes, bulldozers, scrapers, vehicles and machinery for local and municipal services, trailers, cardboard cartons for packaging, rolled ferrous metals, steel pipes and tubing, nitrogen fertilizers, soda ash, bridge cranes and truck-mounted cranes, passenger elevators, and centrifugal pumps.

#### Executing Budgets and the State of Monetary Circulation

On the whole, Ukraine's state and local budgets for the period of January-October 1992 were executed with a total income of 740 billion krub and expenditures of 920 billion krub, with expenditures exceeding income by a total of 180 billion krub.

The income or revenues of the State Budget during this period amounted to 417 billion krub, whereas expenditures came to 559 billion krub. Moreover, in order to ensure the financing of the primary outlays for the local budgets of the Republic of Crimea and the oblasts, short-term loans totaling 174 billion krub were issued from the State Budget during the period of January-October 1992. And they were

recalculated in accordance with reciprocal accounts primarily for the purpose of paying out subsidies for special kinds of bread and bakery products in the amount of 24 billion krb. Taking these supplemental outlays totaling 198 billion krb into consideration, the total sum of the State Budget amounted to 756 billion krb, and exceeded the income by 340 billion krb.

**Supplementary Issuance of Money Into Circulation (Issue)** during the period of January-October 1992 increased by a factor of 28.9 as compared with the corresponding period of last year. Banks' issuance of money increased by a factor of 10.3, while for earnings it increased by a factor of 11.2.

**Deposits by the population in institutions of the Savings Bank during the first 10 months of this year increased by 76.3 billion krb, and—as of 1 November—they amounted to 192.4 billion krb.**

*Prepared in line with information and materials provided by the Ukrainian Ministry of Economics, Ministry of Statistics, Ministry of Finance, and the National Bank of Ukraine.*

[Signed] Ukrainian Cabinet of Ministers Economic Division

## BELARUS

**Shushkevich-Kebich Rivalry Denied**

93UN0326B Minsk *NARODNAYA HAZETA*  
in Russian 6 Nov 92 p 1

[Article by Andrey Nikolskiy: "Canard Laid in Minsk and Released From Moscow"]

[Text] The Moscow agency INTERFAX disseminated "devastating" information from its Minsk correspondent through its channels. It is not lengthy, and it should be presented in its entirety:

**"S. Shushkevich and V. Kebich—Rivals in Parliament?"**

"The speaker of parliament does not have the right to represent the Belarusian state; therefore, it cannot be ruled out that the opposition will have to reconcile itself to the introduction of a presidency in the republic," an INTERFAX correspondent was told in an exclusive interview by Vladimir Zablotskiy, one of the leaders of the Belarusian People's Front (BNF) and head of the shadow cabinet of ministers. At the same time, he does not rule out the possibility of parliament granting Vyacheslav Kebich, chairman of the Council of Ministers, the powers of a head of state in the event that the presidency is not ratified in the very near future.

"V. Zablotskiy confirmed information previously transmitted by INTERFAX about the intentions of the BNF to nominate Vasiliy Bykov, the well-known writer, as a candidate for the presidency of the republic. However, this question, the chairman of the opposition emphasized, will have to be coordinated with those public organizations that will come out in the political bloc with the People's Front in the event that elections to the presidency are held."

After becoming acquainted with the INTERFAX information, the people's deputy of the Republic of Belarus characterized it this way: "This is irresponsible twaddle. I do not even know how to comment on it. Yes, I had a telephone conversation with an INTERFAX correspondent, and it seems that his name is Zenkovich. There was talk about possible forms of rule, presidential and parliamentary, and there also was talk about the Canadian variant, where the prime minister possesses the functions of the head of state. But what is the connection here with Shushkevich, and with Kebich, whom, if you believe the information, someone is ready to make head of state in the very near future?"

"This simply is an improper move: To turn theoretical and abstract thoughts into alleged preparations of personnel rearrangements in the higher echelons of authority. The INTERFAX information arouses nothing other than bewilderment in me."

**Kebich on External Economic Relations**

93UN0401A Minsk *ZNAMYA YUNOSTI* in Russian  
18 Nov 92 p 1

[Interview with Vyacheslav Frantsevich Kebich, chairman, Belarus Council of Ministers, by Yuriy Svirko;

place and date not given: "Vyacheslav Kebich: '70 or 60 Belarusian Kopeks Will Be Equal to One Russian Ruble'"]

[Text] *On Monday evening Vyacheslav Kebich, chairman of the Belarus Council of Ministers, held a press conference devoted to the results of the recent meeting between the CIS government leaders.*

"I did not make any great discoveries," declared the prime minister at the very outset of this press conference. Nor did the journalists make any such discoveries, for Kebich himself later said: "I did not expect that I would have anything to tell you today." Nevertheless, we did obtain some rather interesting information from this head of government.

In the future the Russian government does not intend to set any limits on the prices of petroleum products. This means that the oil-extracting regions will receive price quotes for the sale of energy-bearing items and that the CIS states must prepare to do business not with Moscow, but rather with Yuganeft, Tyumenneft, and other producers of oil and gas. Prices will be set by contractual agreements.

Another innovation, according to Kebich, is that—taking into account the differences in real wages earned by the inhabitants of various CIS countries—the governments will introduce monetary exchange rates of one state in the money of another. The head of Ukraine's government, Leonid Kuchma, and his Russian colleague, Yegor Gaydar, have already agreed that 1 Russian ruble will be equal to 1.5 Ukrainian karbovantsy. This is linked to the fact that prices are higher in Ukraine than they are in Russia. But in Belarus the situation is different. Hence, "for example, 70 or 60 Belarusian kopeks, or perhaps even less—this must be negotiated—will be equal to one Russian ruble."

Taking into consideration the lack of money because of the nonpayment for Belarusian products by Russian enterprises, the Central Bank of Russia could offer Belarus nonreimbursable, technical credits amounting to 40 billion rubles. But its nonreimbursability, in fact, would be quite conditional because after a certain period of time had elapsed—for example, one year—Belarus would have to "pay back" such credits by means of its own goods.

All these talks and negotiations took place outside the framework of the signed, official documents. The four premiers held their meeting at the Belarusian Legation in Moscow, and the Russian mass media managed to present this as an anti-Russian plot or conspiracy, even though one of the four premiers specifically represented Russia. "All of us denied this report," declared Vyacheslav Kebich. "I said straight out that this was a lie, an attempt to drive a wedge between us and Russia, but I also requested that the source of this information be traced. The investigation and analysis is still going on, and the Interfax Agency is among the suspects."

Belarus's prime minister spoke very highly of his new Ukrainian partner, who also chaired the Moscow session. In Kebich's opinion, Mr. Kuchma is "a very solid, substantial pragmatist, a man with his feet firmly on the

ground." During three hours of work under his leadership the premiers signed 18 documents.

But the document regarding the Ostankino Television Company was not signed. It has "wandered" from one agenda to another only because the heads of government unanimously and subsequently made the following statement: "What is being created is not an Interstate Television Company, but is rather an attempt to create a television company for Yegor Yakovlev."

In summing up the results of the meeting in Moscow, Vyacheslav Kebich noted: "I did not succeed in accomplishing the one thing for the sake of which I went there: We were not able to abolish the bilateral clearing of the ruble."

Then the prime minister answered questions from the journalists. Let me cite below a brief interview which he gave for the newspaper *ZNAMYA YUNOSTI*:

[Svirko] Vyacheslav Frantsevich, did you discuss at the meeting or in the lobby the matter of dividing up the maritime fleet and the railroad-car fleet? And if so, what were the results of this discussion?

[Kebich] Yes—in the lobby. In my opinion, the last ship has already been sunk.

But the matter of railroad transport is a very serious one. When the division of the maritime fleet was being discussed, the Baltic countries did not attend, but as soon as the premiers began discussing the apportioning and distribution of the railroad cars, the Baltic representatives showed up immediately. And it was here that I was indeed implacable: I demanded that these republics not even be mentioned in the document, although this document—no matter how strange it may seem—was supported by the railroaders of Russia, which is the chairman of the appropriate committee. But later it was not supported by many people, and I told them that if the decision was to divide, then they should also attend the conference on the maritime fleet.

When I studied the tonnage of the ships, it turned out that most of the fleet is in Latvian waters. Furthermore, it greatly exceeds even the Russian fleet—probably several times over. I am somewhat afraid of saying this; I need to review this data once more.

No matter how strange it may seem, we always used to lodge our claims on this matter against Russia, but it is precisely Russia which has become a weak maritime power. It has only the Northern and Pacific fleets left. And if it sells the islands or gives them away, then everything would disappear there too. This is a very serious matter. Its access to the Black Sea Fleet has been completely closed off—it has become a messy pool. And there is virtually no egress to the Baltic except for Kaliningrad.

We decided that we should conduct separate negotiations with those republics which are not included within the CIS.

[Svirko] There was a report that Russia was about to close all its borders, including the border with Belarus. To what extent would that affect us?

[Kebich] I sought to clarify this matter, and Gaydar told me: "Well now, Vyacheslav, you and I have agreed that our borders will remain 'transparent'."

Ukraine manifested a different attitude toward closing its border with Belarus. But a border between Russia and Ukraine is being created.

[Svirko] Upon the admission of a certain Latvian businessman in the newspaper *SM-SEGODNYA*, all Latvian firms are now being held accountable for re-exporting those Russian raw materials which pass specifically across Belarusian territory. Because of the open border with Russia, everything is being transshipped through our country....

[Kebich] We will close our border with the Baltic. And another thing: The document is still being "polished up," but we are already about to make a decision which could seem to many to be anti-market. In a government decree we will unambiguously prescribe the following point: Henceforth no state structures, leading officials of state enterprises, or ispolkoms of local soviets will engage in any commercial activity.

[Svirko] But so far only Zarenok from Goskomnefteprodukt has suffered. What about the others?

[Kebich] You don't know how to read all the documents received by you. You don't have enough patience. Why do you mention only Zarenok? The first one was Surmach. He was dismissed earlier. And Zarenok has always pretended to be ill when we were examining his affairs. But you will see that we haven't forgotten him. Furthermore, we are about to take the above-mentioned decision. And those persons who do not comply with it will be punished.

I must tell you that it is not true that a great many generals and colonels have suffered. Why do you exaggerate this? It's as if somebody gave you this as a refrain to sing. The song is normal; the refrain is not.

#### Popular Front Criticized as Extremist

93UN0398A Moscow SELSKAYA ZHIZN in Russian  
27 Nov 92 p 3

[Interview with V. Kovalenok by V. Letankov; place and date not given: "If We Do Not Come to Our Senses"]

[Text] Twice Hero of the Soviet Union, Pilot-Cosmonaut Vladimir Kovalenok is one of the most active and authoritative members of the Belarus Parliament. His declaration, read on the very first day of the current session of the Supreme Council of Belarus, was therefore all the more unexpected: "In connection with the changes that have taken place during 1992 in the laws of the Republic of Belarus, I am resigning as people's deputy from the Krupsk Electoral District No. 63 of Minsk Oblast and request that the election of a new deputy be held. When he was given the floor for an explanation he observed bitterly that, living in Moscow and working as head of the Air Force Engineering

Academy of the Russian Federation, due to conditions beyond his control, he now finds himself a foreigner in his own land, since the Belarus Parliament, by contrast with the Russian one, did not approve dual citizenship. The session studied his tendered resignation as a deputy and, after tumultuous debates, did not accept it. This matter remains unresolved.

Another very disturbing warning sounded in the speech delivered by General Kovalenok to the deputies concerned the threat to the republic posed by the extremism of national-democrats. "I supported the Belarusian People's Front," Vladimir Vasilyevich stated, "but today I must say: blood runs cold in my veins as I hear that a dictatorship is evolving here, as demands are made to think and reason as required by the Belarusian People's Front, and to live in accordance with just one law which is proposed by the Belarusian People's Front. Comrades, that will be more frightening than it was under the CPSU. It will be true fascism. It will arrive if we fail to come to our senses today, comrades, countrymen, Belarusians. Let us think!" Our correspondent met with V. Kovalenok and asked him to respond to several questions.

[Letankov] Vladimir Vasilyevich, I remember you as an active deputy, one of the leading contenders for the highest state positions in the republic. Suddenly—the unexpected declaration of resignation as a deputy. From the tone of your speech at the session I understood that you are feeling some bitterness about having to take such a serious step. That it is a forced one for you. Please comment on your decision for SELSKAYA ZHIZN.

[Kovalenok] First, I want to say that I like and respect SELSKAYA ZHIZN because whenever I return to my village where I was born I see a copy of your newspaper in the homes of my countrymen. It means that, no matter what, it is still as popular and trusted as before.

As far as elections and my service as a deputy in the Supreme Council of Belarus are concerned, I have been a people's deputy of the republic for over ten years now, third convocation. Work in the parliament allows me to have an organic link with the homeland, with my people, to live one life with them and experience the same problems. Also, neither I myself, nor my voters have ever regarded me in parliament as some "perfunctory general." I have always held my own view, expressed my opinion frankly, and fulfilled instructions of the voters, inconveniencing many officials and causing them extra concerns. I have always, however, attempted to do what was necessary for my countrymen.

It was with considerable bitterness that I wrote my resignation as a deputy and spoke at the session. After all, it turned out that here, in my homeland, from which I never separated myself, I now find myself in another state as a foreigner. This is a frightening thing. I would like to appeal to all the Slavs through your newspaper as well as to all the politicians who are today struggling for power, with an insistent request to think about where we are going to end up proceeding like this. Having become a lieutenant general in my 50 years, twice Hero of the Soviet Union, and a

professor with around a hundred published works, including some large monographs, holding seven certificates of invention, and one for a scientific discovery, I have attained that by the fact that I spent my entire life working in the interest of all the nations and republics of the Land of Soviets, in the name of their common good. Suddenly, someone did not like it, they decided to separate themselves in different national quarters. But if one is to separate, it must be done only with consideration of the past centuries of common life, common statehood. After all, it is necessary to take historical realities into account. Their consideration constitutes the wisdom and the power of every politician. That is specifically what is lacking.

[Letankov] In other words, you believe that the failure of the Belarus Parliament to provide for dual citizenship is a clear-cut mistake?

[Kovalenok] It is not even a mistake. I would call it something else, although that feels somewhat uncomfortable: it is plain stupid. For us Slavs to create borders today between Ukraine, Belarus, and Russia, I repeat, is stupid! If it has already been elevated to the level of a law, it is at least necessary to think through some state enactments that would allow the people to live through this difficult period in a normal manner. In Russia, for instance, they acted much more wisely permitting dual citizenship. Because Russia is a blend of national problems and human fate. With such a variant, however, the Belarusian finds a place for himself there.

[Letankov] Were you not, yourself, there attending that session of parliament when the law on citizenship was adopted?

[Kovalenok] I was there and spoke against it. Unfortunately, however, voting took place in a state of some kind of euphoria induced by the victory parade of that very same Belarusian People's Front.

[Letankov] I remember well how in critical moments you used to express yourself decisively in favor of the BNF [Belarusian People's Front], and they were even counting on you in some cases. Was that a mistake by you? After all, it was because of their vote that dual citizenship was not adopted.

[Kovalenok] Of course, it was their vote. But in many areas I will continue supporting the BNF as a movement. It represents a solid part of the people, not individuals but hundreds of thousands of people. They must be taken into account and their opinion considered.

[Letankov] It is one thing to take account and something else to have one's own attitude toward certain specific questions pertaining to the policy of the BNF.

[Kovalenok] Yes, naturally. I am with them when they speak in favor of national revival, for national formation, the language, for the development of the state, when they proclaim the priority of human character. I have also helped them to strengthen their position, striving for those goals by democratic means.

But in time I became increasingly convinced that the leaders of the "Front" were pursuing a different goal—extremism. That meant exploiting the misfortune of the people, seeking culprits, and fanning hatred among the people. It reached a point where at the current session, one of their deputies, S. Antonchik, asked that those who formerly were in the party, in some of its executive structures, not be employed or be fired. I think that such pronouncements would horrify any rationally thinking individual. That is a true expression of fascism.

[Letankov] Does it not seem to you that due to the vote of the BNF national harmony is gradually being replaced with some kind of a militaristic and extremist element? There is the very designation of the organization—"Belarusian People's Front." Since it is a "Front" it must be at war with someone. Was it not you, the deputies of the Belarus Parliament, who replaced the symbolic ear of wheat in the national coat of arms with a sword of state? It remains to introduce the symbolism of such militarism in the national anthem. I was also surprised that even honored literary figures such as democrats Ades Adamovich and Vasil Vykov in the contest for the text of the new national anthem supported the version that sings about "thunder" and the future "bloody torments" of the people, etc.

[Kovalenok] This is a historical question. If one looks at the history of national anthems of other similar patriotic works, they traditionally reflected ideas of struggle of good over evil. The male half of humanity was always glorified through struggle, through the ability to fight. Let us recall the Great Patriotic War when Belarus demonstrated a highest degree of patriotism and sense of national worth. There were so many victims, so many heroic deeds! At that time no one was thinking about a coat of arms or the flag. People acted as individuals.

As far as the present coat of arms is concerned, yes, we adopted "Pursuit" as that symbol. No one, however, associated the meaning of extremism, militarism, aggressiveness with the decision concerning a return to the historic national coat of arms. No one even thought about dividing the Belarusian people into "ours" and "not ours."

[Letankov] In October on Independence Square in Minsk leaders of the BNF and its military wing—"Belarusilga zgurtavaniya zayskoutsau," celebrated the 478th anniversary of the fratricidal battle below Orsha between the forces of the great dukes of Lithuania and Moscow. They even had their reserves consisting of military personnel and civilians, including women, take a military oath. Z. Pozkyayi, leader of the BNF, who spoke before the ceremony, declared that in the army, soldiers do not have to comply with orders of the officers and can organize soldier committees.

[Kovalenok] This is indeed a painful problem. Yes, they failed to find anything greater that reflects the glory of Belarusian arms. Two dukes were fighting. It is possible to adapt any historical event to suit one's ideological dogmas. Thank goodness, extremism in Belarus does not constitute the determining feature of national character and the political situation. Belarusian people are famous for their reason and wisdom and they are not characterized by the

militant traits with which they are currently being inculcated. Like the grafting of new strains onto an apple tree. When gardeners who come and graft on a new shoot.

[Letankov] Perhaps we could write this off as the price of growth of new political organizations? After all, it was not too long ago that they were also restrained and coercive measures were taken against them as well. Is it so surprising then that the underdog syndrome is now occasionally manifested in their behavior?

[Kovalenok] It is necessary to take a closer look to see whether this is the price of growth or purposefulness, a direct line of action. I am apprehensive that this is a course toward internecine dissension, toward the fanning of passions, etc. Politics are rife with the intelligentsia and the new social class of nouveau riche which joined them. Most of the masses, however, are not interested in games. They are interested in not having a war and in the availability of fundamental conditions for work and survival.

Still, despite all the maelstroms of fate, I have no doubts that most of the deputies and the Belarus Parliament would never support such an antinational policy. Our nation is very peaceful and nonmilitaristic, one must not have any doubts about that.

#### Foodstuffs To Be Sold Only for Belarusian Rubles

93UN03264 Minsk *NARODNAYA HAZETA* in Russian  
7 Nov 92 p 1

[Official report of a committee of the Council of Ministers of the Republic of Belarus: "Starting on 10 November, Products Will Be Sold Only for 'Belarusian Rubles'"]

[Text] The Committee of the Council of Ministers of the Republic of Belarus for the Coordination of Work on a Quick Resolution of Questions Concerning the Parallel Circulation of Rubles and Bank Notes of the National Bank presents this notice on the decision it has reached.

1. In connection with the withdrawal of the Baltic countries and Ukraine from the ruble zone, and for the purpose of protecting the consumer market of the Republic of Belarus, an account procedure will be introduced, starting on 10 November 1992, using only bank notes of the National Bank for all food commodities, including tobacco and wine and vodka items, at retail trade enterprises of all forms of property.
2. In view of the lack of bank notes of less than 50 kopecks, as well as of 5 rubles [R], for convenience in conducting accounts, ruble bank notes with a denomination of R1 and R3 are used, which are not employed as an independent means of payment in accounts for food commodities.
3. Commercial banks ensure the issuance of resources for wages, remuneration for work in kolkhozes, pensions, allowances, stipends, and other payments to the population with bank notes in amounts declared by clients, but not more than 80 percent of the total sum of wages (income), and for pensioners (at their request), bank notes can be distributed for 100 percent of pensions.

4. For residents of Belarus, the exchange of rubles for bank notes can be conducted at the place where wages (income) are received, and also at savings banks in an amount of not more than R5,000 per month without the collection of a commission.

The exchange of rubles for bank notes for residents of other states who come to Belarus on a business trip is conducted by the enterprises which they are visiting officially, in a sum of not more than R250 (25 bank notes) per day with the collection of a commission.

For citizens who visit Belarus for other reasons, the exchange of rubles for bank notes is conducted by banks in the sum of R2,000 (200 bank notes), with a simultaneous collection of a 30 percent commission.

5. The obispolkoms [oblast soviet executive committees], the Minsk City Soviet Executive Committee, the Ministry of Trade, and the Belkoopsoyuz [Belarusian Cooperative Union] will ensure appropriate control over the work of trade organizations under conditions of the introduction of accounts for food commodities with bank notes of the National Bank, making those officials answerable who commit infractions of the established accounts procedure.

The National Bank of the Republic of Belarus commented on the decision adopted by the commission as a mandatory temporary measure associated with a significant ruble "intervention" from contiguous states that have left the ruble zone, and with the export of commodities from the

republic, including food products purchased at much lower prices than in the Baltics and in Ukraine.

For a normal functioning of trade, ruble bank notes with a denomination of R1 and R3 are used that the trading organizations should acquire in advance; i.e., before 10 November of this year, on application at a bank establishment.

In the absence of bank notes in the cash department funds of enterprises in an amount sufficient for an exchange, rubles accepted by the cash department of an enterprise must be turned over by a statement or cash credit order to a bank at the location where the enterprise has its account, with an indication in the declaration of cash payment, "For the exchange of bank notes of the National Bank." Simultaneously, for the sum of rubles turned in, enterprises receive bank notes by check debited on the cash department book and issued to citizens in accordance with the statement or cash credit order. Banks have the right, when necessary, to demand documents from enterprises that confirm the sum of the exchange.

In a similar procedure, enterprises formulate the exchange of rubles for bank notes sent officially from other states to Belarus.

For citizens who visit Belarus for other reasons, the formulation of the exchange of rubles for bank notes is conducted in a procedure similar to the exchange of bank notes for rubles set forth in the Rules for the Issuance and Circulation of Bank Notes of the National Bank of 30 September 1992 N 24.

## KAZAKHSTAN

### 'Political Portrait' of Nazarbayev

93US0165A Moscow KRASNAYA ZVEZDA in Russian  
21 Nov 92 p 5

[Article by Oleg Falichev: "The Nazarbayev Phenomenon: A Political Portrait"]

[Text] During the stagnation period many of us lost our capacity to objectively perceive reality and to assess the work being done by our political leaders. Nowadays this lethargy is passing away. Furthermore, the higher, party-authorized nomenklatura is being replaced by persons who are quite extraordinary and interesting. Among them is the president of the Republic of Kazakhstan, Nursultan Abishevich Nazarbayev, whose star has begun to burn on the political horizon with unexpected brightness and clarity.

What kind of person is this, who has been tirelessly setting forth ever-newer integrationist ideas and initiatives? Why do people like him not only here in Kazakhstan, but also in Russia, and even in faraway foreign countries? And how, finally, has he managed to maintain and preserve stability in this republic?

It is hard for me to say how this came about. When did we suddenly and with surprise "discover" in the president of Kazakhstan the qualities of constructivism, depth of thought, and an analytical approach to solving our common problems. We came to understand that he was a half-step, and sometimes even a full step, ahead of many other political leaders. Perhaps this happened when he spoke out with an initiative to restore the Union based on new principles?

I remember another episode in his life—one which seems to have occurred quite recently and yet...already so long ago. The last All-Army Officers' Assembly, relayed directly over Central Television, desperate and—alas—naïve demands from the auditorium to "bring" the presidents of all the republics to the presidium. At that time the enormous flywheel in the state was still turning with only centrifugal forces, and not all of us—it must be admitted—were aware of how things would end up. Who did not reject the military men at that fateful time? Who arrived there? Two men appeared before the assembled officers: B. Yeltsin and N. Nazarbayev.

Already after the assembly, when the two presidents were surrounded by officers pestering them with endless questions, Nazarbayev—with sadness in his voice—said the following: "Boys, not everything depends on me...." Indeed, what could he change in the chain reaction of the disintegration of our great country? But many persons recalled how his soul burned with his noble mission, although it was foredoomed to failure, his attempt to salvage something, to help in some way, and his respect for the men wearing shoulder-pieces. It was precisely at that time, I think, that he inscribed himself in the memory of military people not only as a politician, but also as a man—one who is not lacking in emotions or in the desire to compete with others. From where did he derive these qualities?

From the files of KRASNAYA ZVEZDA: Nursultan Nazarbayev was born in 1940 in the village of Chemolgan, Kaskalenskiy Rayon, Alma-Ata Oblast into the family of a hereditary shepherd. After initial training at Kazakhstan's Magnitka he continued to progress in the occupation of a steelworker in the city of Dnieprodzerzhinsk in Ukraine. At the Kazmetallurgstroy Trust he worked in the "hottest" sections: as a cast-iron worker, furnace attendant, dispatcher, senior gas filter at blast furnace of the Karagandinsk Mining-and-Metallurgical Combine. At the plant's higher education institution he obtained an engineering education....

It is not dogmatism, but a knowledge of life, not politicking, but an austere rationalism which motivate him even today—whether he is solving the problems of setting up shepherds' yurts [Central Asian tents] on cattle drives or problems of nuclear weaponry.

Deployed on the territory of Kazakhstan are 108 SS-18 ICBM's, outfitted with 10 warheads each. We can agree that this is a considerable amount of power. Another politician might not have withstood the temptation to flex these nuclear "muscles." But Nazarbayev did not start to wave the nuclear club around like a bogeyman. Why not?

In the first place, although it has abandoned its claims to atomic weapons, Kazakhstan entered into the world community as a de facto nuclear power. In the second place—and this is the main thing—Nazarbayev obtained the right to participate in the Strategic Arms Reduction Treaty (START). That is to say, he derived the maximum benefit from this unpleasant situation. "We do not intend to threaten the world with nuclear missiles," he recently told correspondents on board an airplane en route from New York to Alma-Ata, "but...our republic's first venture under its independent flag...must be to let the world community recognize that Kazakhstan is really an ocean liner, and not just a little riverboat."

People sometimes say of him: He is a president who always "plays the black chesspieces." I do not think that this is the best journalistic figure of speech; however, there is some truth in it. Nazarbayev has never yet started out to exacerbate a situation or to achieve one-sided advantages. He delayed for as long as possible, for example, in creating his own Armed Forces; and he signed the edict only after this had already been proclaimed in Russia. His own currency? This does not exist either. But if a Russian ruble appears on the scene, Kazakhstan will be able to introduce its own currency. (A prototype model of the tanga has already been made at the Ulbinsk Metallurgical Combine.) All this, of course, does attest to the fact that the president of Kazakhstan prefers to play the "black chesspieces." But in such a case his actions are only responses to the sometimes unpredictable "moves" of his neighbors.

Kazakhstan has always had special historical relations, as well as geographical proximity, with Russia. The founders of Kazakh literature and culture—the enlightenment-educators Abay Kunanbayev and Chokan Valikhanov—long ago guided their people into friendship with Russia. "The Kazakh people have a mentality which is different

from that of other Asiatic peoples," I was told by T. Askarov, deputy chief of the Political Analysis Department in the president's apparatus. "It never adhered to Islamic fundamentalism; its women did not know the yashmak or paranja. Nor can one fail to pay attention to the fact that this republic is situated at the crossroads, the junction between Western and Asiatic cultures. It is also at a junction of religions—Christianity, Islam, and Buddhism. Finally, 58 percent of Kazakhstan's population came from Russia or the other republics. And so Nazarbayev is simply taking into account the centuries-old, historical paradigm of our mutual relations because he understands the following point: The foundation of this republic's security lies not so much in a strong army as it does in political efforts, preventive diplomacy, and seeking out a balance of forces.

Alas, this path has not been strewn with roses. There have been many grounds for being insulted, for shutting himself off and building a fence against Russia. Just take, for example last year's visit to Moscow, when he flew there to sign a new Union treaty; and as soon as he arrived at Domodedovo he suddenly learned that B. Yeltsin, L. Kravchuk, and S. Shushkevich were signing a completely different document in the Belovezha Forest. "After the Belovezha Forest episode Nazarbayev, of course, had justifiable grounds for slamming the door shut," I was told by V. Krupiknev, a presidential assistant who remembered those events. "But only an immature politician could have proceeded in that fashion...."

Yes, he is capable of breaking his own "administrative pride," of making sensible compromises, whether it be with political leaders, the miners of Karaganda, or this republic's Supreme Soviet. Nevertheless, we can agree that there has not been much of that, especially during the period of economic shocks. How does Nazarbayev feel on the captain's bridge here? Must he not simply follow along in the wake of Russia's economic experiments?

Nazarbayev is a passionate champion of economic reforms based on the equal rights of all forms of property ownership and privatization. But in contrast to many (if not all our political leaders) he is also an economist. Therefore he sees deeply into the consequences of rash economic decisions. A few days ago he made the following direct statement: "The price liberalization, begun by Russia without the appropriate economic preparations or preliminary coordination with its CIS partners, has led to extremely negative results throughout the entire ruble zone."

Obviously no further explanations are needed here. The "shock therapy" has—figuratively speaking—demolished the entire former economic mechanism before the market-type institutions and levers had appeared and became stabilized. The principal types of business enterprise practically everywhere have become middleman activity, speculation, and reselling goods. Just wherein does the way out of this impasse lie?

Nazarbayev was not afraid of acquiring a reputation as a conservative when he proposed strengthening the regulatory role of the state organs in the economy, of putting a

stop to the uncontrolled rise in prices and—as a temporary measure—the growth of wages not supported by a corresponding increase in the volumes of goods and services produced. It may be that nowadays this runs counter to Gaydar's concept, but it broadens the social base of the reforms and includes within them the low-paid strata of the population, which encompasses 80-90 percent of the total. It is specifically "to the simple working people and their families—those living on the edge of poverty"—that Nazarbayev has appealed for the "credit" of trust. And it is in this sincerity, this honesty of the president that—I think—lies the secret of the stability and calm in Kazakhstan. It is the secret of the self-sacrificing work of the rural laborers, who—for the first time in this republic's history—virtually without help from the outside harvested 2 billion poods of grain.

It turns out that, whatever subject we touched upon in speaking about Nazarbayev, the talk would eventually get around to the price of the reforms. If they cause the poverty of the overwhelming majority of the population, blood, and chaos, they why put through such reforms? Who do they benefit?

**From the files of Krasnaya Zvezda:** Nursultan Nazarbayev sings and plays the domra. He plays tennis. In his last match he and Yeltsin agreed upon a "tie." He is fond of horses and horseback riding. He regularly appears on Kazakhstan TV during the "President's Hour," and answers questions from the TV viewers. Despite his enormously busy schedule, he receives citizens. Nazarbayev is married and has three daughters.

Failures? Mistakes? I would not be truthful or fair if I told you that he has never experienced them, that he has always achieved a 100-percent success rate. Take, for example, the peace-keeping mission from Alma-Ata to Nagorno-Karabakh. It was a noble goal. However, not only did Nazarbayev fail to receive any political dividends, but he even gave certain persons grounds for saying that he had only attempted to seize the initiative. It is possible that a calculating politician would not have undertaken this business. But in Nazarbayev's case, this only serves to shed light on his character, his restlessly active nature: "How can we sit idly by, while people are being killed there?"

"It was not political calculation, but rather pain for people's fate that guided him during that period," I was told frankly by T. Zhukayev, a state councilor of the Republic of Kazakhstan.

Of course, there are also those persons in the republic who are not very pleased with the president's carefully weighed and balanced, constructive policy, his course directed at interethnic harmony and concord. I have in mind certain members of the extreme parties and movements, as well as the national-patriots. Some of them, for example, propose that the members of more than 100 nations and ethnic groups in Kazakhstan disperse to their various national areas. It is only after this—they say—that they "would be able to rise to a new level of interethnic communal sharing ("Alash and the Kazakh Nation"—a special issue of the Islamic political newspaper). Alas, this is

nothing new. And the finale of such a policy and movement is not hard to predict. There are certainly enough examples.... The fact is that the literature with such contents, calling—in the final analysis—for a national intolerance is being printed not somewhere in the outlying areas of Kazakhstan, but rather in a suburb of Moscow, in the Kolomeya Inter-regional Printing Plant. It would be interesting to know whose money is being spent for this purpose.

The president of Kazakhstan has an energetic, well-selected team. It is steering the ship of state thoughtfully, without "right-wingers" or "left-wingers," toward a market economy, a secular, democratic society. It produces on politicians and businessmen an impression of an analytical quality, rationalism, and frankness. As of today, Kazakhstan has been recognized by more than 130 states. The republic has become a member of the United Nations, a participant in the Conference on European Security and Cooperation, and it has joined the World Bank.... But Nursultan Nazarbayev—in the style inherent to him—is already looking on ahead to the morrow.

Speaking in October at the session of the UN General Assembly, he called for strengthening of "zones of stability" existing within the CIS and for gradually expanding their borders. For this purpose he proposed that a UN Center for Preventive Diplomacy be created, and he brought up for discussion a step-by-step plan for a conference on mutual assistance and measures of trust in Asia for the period extending to the year 2005....

The once-famous Kazakh poet Olzhas Suleymenov, in bringing up the idea of a national revival, said figuratively and succinctly: Our credo is to raise the steppe without lowering the mountains. I think that this sums up the emotional core of Nazarbayev's philosophy, the moral tie-rod connecting all his deeds and actions: To elevate this ancient nomadic people without impinging upon the honor and dignity of those who—by the will of fate in peace and war—have stood shoulder to shoulder with them, devoting all their strength and efforts to the emergence of this republic.

## ESTONIA

**Cabinet Members in Laar Government Profiled**

93UN0333A Tallinn ARIPAEV in Estonian  
22 Oct 92 p 3-4

[BNS release: "The New Government"]

**[Text] Prime Minister Mart Laar** (born April 22, 1960), graduated from the University of Tartu history department in 1983. Deputy to the Estonian Supreme Council from 1990 to 1992, member of the Constitutional Assembly from 1991 to 1992, chair of the Estonian Heritage Society's history committee from 1987 to 1992.

**Minister of Justice Kaido Kama** (born December 18, 1957), in charge of the Ministry of Justice. Secondary education. Member of the Estonian Supreme Council and its justice commission from 1990 to 1992, also chairman of the commission on ownership reform, assistant chairman and member of the first and second electoral round of the Estonian Committee. From 1991 to 1992 member of the Constitutional Assembly, founding member of Estonia's Conservative People's Party.

**Minister of Defense Hain Rebas** (born January 23, 1943), in charge of the Ministry of Defense. Graduated from the Göteborg University in 1967, received his doctor of philosophy degree from Göteborg in 1976. Professor at the Christian Albrecht University of Kiel since 1980. Rebas is a member of the Estonian Liberal Party of Sweden, the Estonian National Independence Party and the Constitutional Assembly. Served as delegate of Swedish Estonians on the Executive Committee of Estonian Citizens' Committees from 1989 to 1990.

**Minister of Environment Andres Tarand** (born January 11, 1940), in charge of the Ministry of Environment. Graduated from the Tartu University department of geography in 1963, received his master's degree in geography in 1973. Member of the Estonian Supreme Council and chairman of the environmental committee from 1990 to 1992. Member of the Constitutional Assembly from 1991 to 1992, belonged to the People's Front and the council of Estonia's Green Movement.

**Minister of Culture Paul-Eerik Rummo** (born January 19, 1942), in charge of the ministry of culture and the ministry of education, after they were combined to form the Ministry of Culture and Education. Graduated from the University of Tartu in 1965, specializing in Estonian philology. Secretary and deputy chairman of the Estonian Writers' Guild from 1986 to 1989, merited writer of the Estonian SSR (1986). Consultant to the State Chancellor's Office from 1989 to 1992. Chairman of the Estonian Liberal Democratic Party since 1990, was member of the Estonian Committee. Rummo has published six volumes of poetry, plays and children's books, written film scenarios, literary criticism and done translations.

**Economic Development Minister Ain Saarmann** (born 1939), in charge of the building ministry, trade ministry and industrial ministry, after these were combined to form the Ministry of Economic Development. A graduate of

Latvia's Academy of Agriculture, he is a founding member of the Republican Coalition Party, executive director of the Tarmel corporation, and board member of the Tallinn Directors' Club.

**Minister of Agriculture Jaak Leetsar** (born April 3, 1946), in charge of the Ministry of Agriculture. Graduated from Estonia's Academy of Agriculture specializing in land improvement, has master's degree in economy. Formerly acting director of Estonia's Central Alliance of Farmers.

**Finance Minister Madis Üürike** (born 1942), in charge of the ministry of finance and the ministry of economic development, after they were combined to form the Ministry of Finance. Higher education, has worked as lecturer at the University of Uppsala, and as executive director of a real estate firm. Active in finance.

**Minister of the Interior Lagle Parek** (born April 17, 1941), in charge of the Ministry of the Interior. Secondary education, deported to Siberia with family. From 1983 to 1987, deported to hard labor camp for being accused of anti-government propaganda. Founding member of MRP-AEG movement (1987) and chair of the Estonian National Independence Party since 1989, member of the Estonian Committee. Ran in Estonia's presidential elections.

**Social Services Minister Marju Lauristin** (born April 7, 1940), in charge of the social welfare, health and labor ministries, after these were combined to form the Ministry of Social Services. Graduated from the philology department of the University of Tartu in 1966, received her master's degree in philology in 1976. Head of the journalism department at the University of Tartu from 1987 to 1989, deputy speaker of the Estonian Supreme Council from 1990 to 1992. Lauristin was one of the originators of the People's Front (1988), and member of the Constitutional Assembly from 1991 to 1992. After the January crisis of 1991, served as representative of Estonia's Supreme Council in foreign states. In 1992, leader of the special guest delegation at the Council of Europe.

**Foreign Minister Trivimi Velliste** (born May 4, 1947), in charge of the Foreign Ministry. Graduated from the University of Tartu in 1971 specializing in Roman and Germanic philology. Deputy foreign minister in 1992. Member of the Constitutional Assembly, deputy chairman of the Estonian Committee, and member of the Estonian Christian Democratic League from 1991 to 1992. Chairman of the Estonian Heritage Society from 1987 to 1991.

**Roads and Communications Minister Andi Meister** (born November 17, 1938), in charge of the transportation and communications ministry, after its reorganization into the Ministry of Roads and Communications. Graduated from the Tallinn Technical University with a specialty in highway engineering. Has worked in Estonia's Ministry of Transportation, and also as assistant to former Prime Minister Tiit Vähi. Belongs to the Estonian National Independence Party.

**Reform Minister at-Large Liia Hanni** (born Juulik, October 4, 1946). Graduated from the University of Tartu

department of chemistry and physics in 1970, received her master's degree in physics and mathematics in 1986. Member of the Estonian Supreme Council and the justice commission from 1990 to 1992, and chair of the Tartu District Council in 1991. Since 1989 member of the founding council of Estonia's Central Land Party, member of the Constitutional Assembly from 1991 to 1992, and member of the first and second electoral rounds of the Estonian Committee.

**Energetics Minister-at-Large Arvo Niitenberg** (born September 27, 1934). Graduated from the University of Toronto in 1958 with a diploma in engineering, received a master's degree in economics in 1966, and another in technology in 1975. Niitenberg is a citizen of both Estonia and Canada. From 1959 until June 15, 1992, he was employed at Ontario Hydro, where he became the company's senior vice president in 1984. In 1992, he became minister-at-large for Estonia.

Arvo Niitenberg, energetics minister-at-large, is the only minister who has been a cabinet member before, while Trivimi Velliste has previously served as deputy minister.

#### **Economic Development Minister Ain Saarmann on Policies**

93UN0333B Tallinn *ARIPAEV* in Estonian  
22 Oct 92 p 3

[Article by Erkki Peetsalu: "Ain Saarmann Now Minister for Economic Development"]

[Text] The post of the minister for economic development in the government headed by Mart Laar went to Ain Saarmann who, for the past 12 years, has been in charge of the timber processing plant Tarmel, now a state-vested corporation.

Saarmann said that he was asked to be the minister of economic development last week. "I had to make the final decision within 24 hours and I accepted, because I viewed it as a personal commitment," he remarked. "Since there are not too many economics experts within the Isamaa [Fatherland] faction, and the coalition with the Unified Party did not materialize, I considered it my duty to accept."

Saarmann said that, in the new government, he will primarily be in charge of industry, construction and trade. "As I step into the post of the minister for economic development, I am trying to learn more about the status quo, gathering information and assembling a team so as to be able to take more specific action," he remarked.

#### **The Economy Will Survive the Crisis**

Commenting on the status quo of Estonia's economy, Saarmann said that the situation is difficult and complicated, but some early signs of overcoming the crisis can already be seen. "Tiit Vähi's government did everything it could but, from the very beginning, it was designated as the transition government," he said. "The new government will be primarily a government of politicians, and any action I take will be based on the principles set forth in the coalition agreement. Whatever is good, should be left intact, but everything bad must be changed."

Saarmann said that he fully supports the privatization process, because a suitable owner should be found for every business enterprise. He said that the development of both big and small business enterprises should definitely be encouraged. "We want to restore state control over enterprises and fight against excessive profit-taking in Estonia. I think that the current enterprise for privatization will not be functioning in exactly the same manner in the future. A privatization company's main task should be to prepare state enterprises for privatization. A good business idea, along with preserving jobs and increasing their number, remains the most important criteria for privatization."

#### **Saarmann Studied Timber Processing**

Ain Saarmann, the new minister for economic development, was born in Põltsamaa in 1939, enrolled at the Tallinn Polytechnical Institute in 1961, for studies in timber processing and graduated, as a specialist in this field, from Latvia's Academy of Agriculture. After his graduation, Saarmann was assigned to Tallinn's timber processing plant known today as Tarmel, Ltd. For the last 12 years, Saarmann was the plant's executive director. He is the founding member of the Republican Coalition Party, getting there through the Alliance of Labor Collectives. "Politics, for me, has been more of a sideline, so far," he remarked.

Saarmann said that economy has its own legalities, and that Tarmel has been able to keep up with the times. "After the disappearance of the Eastern market, we set our sights on the Western market and have been able to cope," he remarked. "Unfortunately, not many of Estonia's enterprises are as well off as Tarmel."

#### **Energy Minister on Problem of Users' Unpaid Bills**

93UN0333E Tallinn *ARIPAEV* in Estonian  
23 Oct 92 p 4

[Article by Erkki Peetsalu: "Eesti Energia Having Trouble With Debtors"]

[Text] At the government's press conference yesterday Arvo Niitenberg, minister of energetics, said that consumers owe to state enterprise Eesti Energia [Estonian Energy] 300 million Estonian kroons. This has caused Eesti Energia to run up large debts to other enterprises.

Out of the 300 million kroon indebtedness, Niitenberg said, 160 million is owed by Estonia's industrial enterprises, but debtors also include Latvian and Russian enterprises. Latvia's debt is up to 125 million and Russia's up to 8.7 million kroons. The indebtedness of Eesti Energia to other enterprises has, according to Niitenberg, gone up to 250 million kroons. The debt to Eesti Põlevkivi [Estonian Oil Shale], for example, is 100 million kroons.

"Providing energy resources is not only the task of energy specialists, but also that of economic and financial specialists," Niitenberg remarked. "If financial difficulties are not resolved, and Eesti Energia is not paid for its subsequent bills, a very difficult situation could ensue in Estonia."

by the end of the year. A comprehensive program for acquiring energy should be worked out for Estonia."

Niitenberg said that currently there are 200,000 tonnes of crude oil in Estonia, there is also enough coal, and gas contracts are being fulfilled. Thus, the current situation is certainly not hopeless. Negotiations are also under way for spending the loan amount of \$10 million received from the World Bank for the purchase of fuel. The amount is earmarked for buying 100,000 tonnes of crude oil, which should hold out, if all goes well, till the end of February.

### Energy Agency Chief Sild Interviewed

93UN0333D Tallinn ARIPAEV in Estonian  
22 Oct 92 p 8

[Interview with Riho Sild, Executive Director of Eesti Kütus, by Tomi Saluveer: "Eesti Kütus Can Provide Warmth Until the New Year"]

[Text] **Eesti Kütus [Estonian Fuel] is a state enterprise that implements the fuel policy of the government of Estonia, and determines the pricing for the products of Eesti Kütus. The proposed prices will be reviewed by the leadership of the ministries for economic development and finance. Before the new prices go into effect, the government is always notified. Eesti Kütus is a supply firm that guarantees fuel to the Estonian consumer.**

[Sild] At the moment, there are roughly 200,000 tonnes of heating oil, 85 percent of which has come through Eesti Kütus. The import of crude oil products into Estonia and their pricing were not deregulated until December 1 of last year. Our fuel prices go up with those of Russia. If we can no longer get our fuel from there, we will have to buy it at a higher price from the West.

[Saluveer] How much fuel does Estonia have for the winter?

[Sild] While the present coal supply will last till spring, the heating oil supply will only last till New Year's Eve.

Currently, there are roughly 200,000 tonnes of heating oil in Estonia, out of which 40,000 tonnes were used in October, and 70,000 tonnes in November, thus leaving 90,000 tonnes for December.

In all probability, we can buy another 100,000 tonnes of heating oil with the \$10 million loan from the World Bank which, used very sparingly, can carry us through January. Should the temperature average 20 degrees, however, January's consumption will go up to 150,000 tonnes. Thus, an average heat supply for Estonia will last only through the end of January. Estonia has no heating oil reserves for the month of February.

In addition to the money received from the World Bank, we have been earning our own. Eesti Energia [Estonian Energy] makes money from the sale of electricity and transfers the funds received from Latvia, for example, directly to the appropriate Eesti Kütus account in Russia. Cooperation with Eesti Energia has been very simple—they pay, we deliver the merchandise. Without advance payments, however, there would be no deliveries, neither from the East nor from the West. The small heating plants

will obviously present the biggest problem—they have no funds today other than those received from the World Bank.

Estonia's own electricity, also shale oil that covers 15 percent of the consumption, do not add up to any significant portion.

February is likely to be the most difficult month. Once we get through that, our winter worries are practically over.

[Saluveer] What is causing the fuel crisis?

[Sild] Lack of money. Since the guarantees offered by Estonia's banks are not secure, all vendors insist on advance payments. In such a case, we have to get the money together a few weeks earlier, and practically freeze it thereafter. Several enterprises owe large sums to Estonian Kütus, and their paying ability is not about to improve in the near future.

Actually, it is much easier these days to avoid interruptions in the gasoline supply than it was before. A gasoline crisis could also occur because of the consumers' inability to pay, which is the case right now with the A-76 gasoline.

If people's salaries do not go up in the near future, the fuel will simply not be paid for. In that case, it is the state that has to do the borrowing."

[Saluveer] Where does Eesti Kütus get the basic heating oil?

[Sild] The biggest vendor of Eesti Kütus in the East is the state concern Rosnefteprodukt, which supplies roughly 50 percent of the fuel acquired by Eesti Kütus. The concern sells heating oil at 75 dollars a tonne, plus 5 dollars for the cost of transportation.

In case we had to buy our heating oil from the West, the cost of transportation would be the first item to go up—using small tankers would add close to 30 dollars to each tonne of heating oil, bringing the price of one tonne to roughly 130 dollars."

[Saluveer] How do our fuel prices compare to world market prices?

[Sild] In Tallinn, there are roughly five other firms besides Eesti Kütus that sell gasoline. They bring in the better brands from the West, and the cheaper ones from Russia.

Coming closest to the world market price is the price paid for gasoline AI-95. Provided the State Assembly does not change the price policy, the price for that should remain the same. The price for Diesel fuel lags about 25 percent behind that of the Western price, and the price for heating oil even more.

Eesti Kütus also purchased 10,000 tonnes of gasoline AI-95 back in June, of which some 3,000 tonnes are still left today. The more expensive brands of gasoline, because of the large difference in prices, do not have much of a market in Estonia today. Gasoline AI-95 is used primarily by wealthy people, who have good cars. Such a clientele, however, is growing daily.

For a while, the use of Diesel fuel and natural gas was promoted vigorously in place of gasoline. This route,

however, has not been taken by the rest of the world—in both cases, the power of the car will be sacrificed. Good gasoline is clean and, combined with catalysts, does not pose much of a danger to the environment.

**[Saluveer] To what extent is the environmental hazard of gasoline being controlled in Estonia?**

[Sild] So far, no closer studies have been done in Estonia on the quality of fuels. Environmental norms are based on Russia's GOST regulations, meaning that one can burn heating oil the sulphur content of which is 3.5 percent. In the Scandinavian countries, for example, the norm for heating oil has been brought down to 1 percent.

Currently, Estonia also does not have any legislation that would limit the content of lead in gasoline. In some foreign countries, the lower quality brand of gasoline is often priced higher than a superior brand. This is meant to promote trading in old cars for newer models that are less harmful to the environment.

**[Saluveer] What are some of the changes contemplated by the state enterprise Eesti Kutus?**

[Sild] Since Eesti Kutus has been operating with a loss this year, it will not be able to launch any major investment projects in the near future, such as building contemporary filling stations. Perhaps we can put up a few filling stations as early as next year. The first of its kind will be ready in Kohila this year. Eesti Kutus acts as a wholesale distributor through 12 affiliated oil storage tanks, the network of filling stations is managed by the enterprise EK, which also takes care of retail sales.

In many countries, fuel companies are still operated by the state, like Neste and Statoil. This way, the state can set its own requirements. So we could start competing with the mighty oil companies of the West coming to our country. Estonia should promote the need to invest in Eesti Kutus.

Last year, Eesti Kutus ranked fourth for its volume in Estonia, this year it is obviously the first. That also means that the company is the biggest payer of taxes to the state.

**EESTI KUTUS, prices including taxes compared: from the beginning of the kroon period (June 20, 1992) to the level of September 7, 1992. Data from EK Department of Economics.**

Price for sales out of storage tanks and deliveries.									
	A-76		AI-93		AI-95		Diesel Fuel		Heating Oil
	1 t	1 l	1 t	1 l	1 t	1 l	1 t	1 l	1 t
1. Jun 20, 1992	2670	2.05	3787	2.95	4484	3.45	2070	1.85	885
2. Sep 7, 1992	3050	2.35	3787	2.95	4484	3.45	2070	1.85	1381

Price for sales out of filling stations									
	A-76		AI-93		AI-95		Diesel Fuel		
	1 t	1 l	1 t	1 l	1 t	1 l	1 t	1 l	
1. Jun 20, 1992	2790	2.15	3905	3.00	4602	3.55	2188	1.95	
2. Sep 7, 1992	3168	2.45	3905	3.00	4602	3.55	2188	1.95	

#### **Agriculture Minister Mõlder on Reform Goals**

93UN0333C Tallinn *ARIPAEV* in Estonian  
22 Oct 92 p 5

[Article by Erkki Peetsalu: "Agriculture Needs Reforms"]

**[Text] Commenting on the program put together by the government coalition Aavo Mõlder, former minister of agriculture, said that agriculture needs to be reformed, to be sure, but some things have already been accomplished so far.**

Mõlder said that, contrary to what the program states, there actually is an agricultural reform law in place, and it is also being implemented. Every parish has a reform commission and there are 265 of them altogether.

Agricultural subsidies, too, were in effect terminated in April of this year.

"The agricultural reform has clearly spelled out the concept of total property, and also the concept of work shares. A work share, as seen by the Supreme Council, is a share of real estate that, in the case of rural property, should become the property of rural residents," Mõlder said.

#### **Agricultural Reform Under Discussion for Three Years**

For the past three years, the agricultural reform law has been discussed in a setting where the reform had not been spelled out and was causing anxiety. "Now, the law is in writing and it is understood, by now, that Estonia must produce all of its basic food items. There is no money to import them, and we also have to preserve employment for the people," Mõlder said. Share-ownership makes it possible for private farming to develop, along with production and service. But more technical equipment is needed in the country, so that other forms of production could also develop."

Mölder said that people in the country have advanced Estonia's life considerably. "It would be hard to calculate the amounts needed for sustenance if people in the country were to lose their jobs. Besides, any form of additional production has been snubbed for some time," he said.

### Subsidizing Agriculture

The former minister of agriculture said that another significant problem is that of subsidizing agriculture, and questions linked to export and import. "Estonia's agricultural production has, for some time now, been less efficient than it could have been," Mölder said. "This was due to discrepancies between the prices of imported resources, such as feed grain and equipment, and their actual value. Estonia's economy did not get off to an efficient start under conditions of command economy."

"I agree that some of our close neighbors, like Finland, subsidize their agriculture beyond their actual needs, but in the countries of the European Community, agriculture is subsidized only up to 30 percent," Mölder said. "It does not make sense for the industry processing the products of Estonia's agriculture to compete with the imported food items, whose production has been subsidized by the very states who export them. This is why the need to subsidize agriculture in Estonia should be analyzed thoroughly, so that we could remain independent and produce the necessary food items ourselves."

### New Minister Must Get to Know the Situation

Mölder said that the new minister of agriculture, upon taking office, must first of all have a complete overview of the present state of agriculture. It is only afterwards that the new minister can start solving problems as he sees fit, but there are also certain legalities and requirements in agriculture that would have to be followed.

"When I became minister of agriculture, I set myself the task of reconciling the different forms of production and the different opinions. It seems that some of the desired results have been achieved, but only time will tell whether I succeeded or failed," Mölder thought. "I don't envy the person who succeeds me in this job. The field of agriculture is very broad, indeed."

### Nordic Recesssion Cuts Into Timber Profits

93UN0333F Tallinn *ARIPAEV* in Estonian  
22 Oct 92 p 8

[BNS release: "Profits Down on Timber Exports"]

[Text] The economic crisis in the Scandinavian countries and in Finland is driving down the price of timber for making paper in Estonia, said Enn Tasso, executive director of the state enterprise Eesti Metsad [Estonia's Forests].

The buying-up price for paper timber has dropped by 10 to 20 percent over the last month, down to 340 kroons per cubic meter.

During the years between 1986 and 1992, Estonia's exports of paper timber have been in the range of 200,000

and 230,000 cubic meters but this year, Tasso thinks, it will go up to 400,000 cubic meters. Most of the exports go to Sweden.

Executive director Tasso says that timber exports can go down again, because Sweden's market may be shrinking, and profits have gone down for the timber business. To the high stump fees (an average of \$10 per cubic meter) an 18 percent sales tax was added this summer, and that brought down the profits of the timber business even further.

### LATVIA

#### Zotov, Dinevics Assess Troop Withdrawal Negotiations

93UN03544 Riga *DIYENA* in Russian  
27 Oct 92 pp 1, 8

[Article by Iveta Bojare and Atis Klimovic: "Conflict of Interests in Russian-Latvian Relations; S. Zotov's Assessment of Results of Negotiations Differs from J. Dinevics"]

[Text] Riga, 25 October—At a press conference after the latest round of talks in Moscow, the leaders of the two delegations, S. Zotov and J. Dinevics, said that the successful continuation of the intergovernmental talks between Russia and Latvia on the withdrawal of the army from Latvia will require a meeting of the leaders of the two countries—President B. Yeltsin and Chairman A. Gorbunovs of the Latvian Republic Supreme Council. After the two sides have reached an agreement on certain concepts, J. Dinevics said, the experts will be able to work much more successfully. At this time, said Deputy I. Berzins, a member of the Latvian delegation, there is a clear conflict of Latvian and Russian interests in the talks: No compromises have been reached on matters of fundamental importance. "We cannot even say that we have made any progress, but because any talks are better than open warfare, the talks with Russia obviously have to be continued," I. Berzins said at the press conference on Saturday.

The Russian Supreme Soviet's request for the release of a former officer of the special forces, "Russian citizen S. Parfenov, in view of the insufficient evidence of his guilt," was described by I. Berzins in a reserved tone as illogical: "I find it rather odd that the Russian Supreme Soviet would assume the prerogatives of the Latvian court." It is this court, the deputy said, that should pass sentence on a person accused of a crime.

Dinevics feels that the talks are being held up by Russia's internal problems and the incertitude of its government structures. The final protocol of the talks records the different positions of Latvia and Russia on the dates and terms of withdrawal (Latvia feels that the withdrawal should be completed by the end of next year, but Russia wants to complete the process in 1994). With a view to its own strategic interests, Russia is insisting that three of its military installations remain in Latvia—in Skrunda, Liepaja, and Ventspils. This is unacceptable to Latvia. In J. Dinevics' words, the only possibility is a separate

agreement on the radar in Skrunda. If the last Russian soldier leaves Latvia by the end of the coming year, Latvia could make an exception for Skrunda and extend the period of presence there by representatives of the Russian Army. The two sides have different views on the future disposition of army property and on ways of solving the social problems of servicemen. Russia feels that all of the property at the army's disposal belongs to Russia, but Latvia has expressed the opposite opinion. At the press conference, S. Zотов reported that the Russian Government and President B. Yeltsin would not sign troop withdrawal agreements that would jeopardize the legal status of officers and their right to housing and property rights. The eastern neighbor has proposed terms that are unacceptable to Latvia for the privatization of the living quarters of servicemen, a solution to the citizenship issue that would favor these servicemen, and the possibility of inactivating some military units within the territory of Latvia. Although J. Dinevics agrees that Latvia could help Russia solve the social problems of the military units withdrawn from its territory, he said that the Latvian side would reject all compromises providing for the long-term settlement of Russian servicemen in Latvia. His views on social problems are completely different. In order to assist in their resolution, J. Dinevics, the leader of the Latvian delegation, will make a formal request in Tokyo, I. Berzins reported, to set aside part of the promised aid to the former republics of the USSR for precisely these purposes.

In spite of these differences of opinion between Latvia and Russia, which were recorded in the final protocol, on the day of the talks S. Zотов told a BNS correspondent that he was satisfied with the acceptable agreement that had supposedly been reached at the time of the meeting on the main issues.

According to the BNS report, S. Zотов stated that Latvia had agreed to Russia's use of the radar in Skrunda after the withdrawal of the army, that reserve officers would have a chance to keep their apartments in Latvia and apply for Latvian citizenship, and that all officers wishing to leave would receive compensation. "This is a lie," J. Dinevics said at an NFL [Latvian People's Front] congress after his return from Moscow. The head of the Latvian delegation did not deny that all of these matters had been discussed, but he stated that Latvia had not relented on any point of importance to the Latvian Republic. This was confirmed at today's press conference by I. Berzins, who explained that the BNS report reflected only Russia's point of view. "S. Zотов said exactly what the report says," the head of the Latvian BNS bureau, R. Bikse, said in an attempt to clear up the misunderstanding. The journalist had been unable to learn the views of the Latvian delegation and this is why the report was onesided. "This misunderstanding could benefit those who want the talks to be delayed," said I. Berzins, adding that there was no reason to doubt J. Dinevics' firmness as the head of the delegation.

### Ranks of Unemployed Increase

93UN0349B Riga DIYENA in Russian 29 Oct 92 p 1

[Article by Gunta Vutcsina]

[Text] Riga, 28 October—The number of unemployed individuals in Latvia now exceeds 21,000. The number increased by a thousand just last week (recently the figure had ranged from 600 to 700). On 27 October, 21,380 people already had unemployed status (20,260 a week earlier), and 18,647 of these were collecting unemployment benefits. There are already 847 people in the long-term unemployed category (they no longer receive unemployment benefits because these are only paid for the first six months). In all, 34,286 people in Latvia are looking for work. The head of the State Employment Service, S. Blazevic, told DIYENA about this.

According to the calculations of the employment service, the number of unemployed is just slightly below 1.5 percent of the number of able-bodied adults in Latvia. "In view of the state of affairs in industry, we can anticipate a dramatic rise in unemployment in November," S. Blazevic predicted.

According to DIYENA's sources, Latvia leads the Baltic states in unemployment. S. Blazevic explained that this is a result of differences in employment laws.

In Lithuania, for example, an individual does not acquire unemployed status or become eligible for unemployment benefits until six months after he has registered with the employment service. Furthermore, the benefits, which are higher than in our country, are calculated on the average wage (the minimum wage in our country). These benefits are paid even to people who resign from jobs of their own accord or are dismissed for violations. In Latvia, on the other hand, a person acquires unemployed status no later than two weeks after registration with the employment service, and benefits are not paid to those who resign from jobs or are dismissed for violations of employment laws.

The situation in Estonia is different. As S. Blazevic explained, an employment law has not been passed there, and employment questions are regulated by government decision. S. Blazevic could not provide us with more detailed information.

### Agrarian Faction Takes Its Place in Parliament

93UN0349A Riga DIYENA in Russian 29 Oct 92 p 1

[Article by Linda Petrovitsa]

[Text] Riga, 28 October—Today the Agrarian Faction, which recently acquired the necessary number of members for a faction—20, addressed a plenary meeting for the first time and took its place in the Latvian Supreme Council along with the NFL [Latvian People's Front] and Satversme factions.

The elected leader of the faction is Deputy Andris Fels, his vice-chairmen are deputies Edmund Krastins and Andris Berzins, and the faction secretary is Emerita Bukele. Because Berzins and Bukele were not present when they were elected, their consent to occupy these positions is still required. As the deputies themselves observed, the nomination and election of leaders took place quietly and without argument—"in the customary agrarian manner."

The faction announced that its main objective would be the support and promotion of agrarian reform.

The Agrarian Faction will meet on Tuesday mornings, after spokesmen for the People's Front and Satversme have expressed their opinions on Monday on the matters discussed at plenary meetings. "After all, we have to know what the 'big boys' think," said Chairman Guntis Grube of the Latvian Supreme Council Commission on Agriculture and Forestry (this commission has the highest number of members in the new faction).

#### **Agricultural Specialists Foresee Lean Times**

93UN0349C Riga *DIYENA* in Russian  
31 Oct 92 pp 1, 8

[Article by Linda Petrovitsa]

[Text] Riga, 29 October—The Animal Husbandry Administration of the Latvian Republic Ministry of Agriculture predicts that the number of livestock in the state at the end of this year will be 20 percent below last year's figure. If animal husbandry farms have to rely on only domestic feeds until next year's harvest, the per capita output of products will be only half as great as last year's.

According to the data of the State Committee for Statistics, the number of livestock is decreasing on collective farms—associations of shareholders. In the private sector, the available data on which cover only the first half of this year, the opposite process has been recorded: The number of livestock is increasing. For this reason, we cannot say that all of the livestock that have disappeared from the shareholders' farms have gone "under the knife." Some of the animals have been sold to peasants for shares or for money.

The ministry specialists did, however, take the data on the private sector into account in their forecasts.

Even if mixed feeds are imported, the number of livestock will be lower at the end of this year than it was on 1 January 1992. If 800,000 tonnes of forage grain should be imported before 1 August 1993 (agricultural administrators have to know how much fodder has been procured in order to plan the number of livestock to keep), the number of cattle will be 20 percent below last year's figure by 1 January, including a decrease of 13 percent in the number of cows, and the number of pigs will decrease by 32 percent.

If feeds are not purchased, the number of pigs at the end of this year will be 70 percent below last year's figure, but the herd of cattle will not change that drastically because the present supply of hay and silage could be adequate for these animals.

The livestock on the weakest farms owned by shareholders, which did not prepare enough fodder in the summer, are already lying down and do not have the strength to get up.

Animal husbandry specialists from the Agriculture Ministry predict that if feeds are not purchased abroad, the per capita output of animal husbandry products in Latvia in the coming year will be around 32 kilograms of meat (66 kilograms in 1991), 335 kilograms of milk and dairy products (427 in 1991), and 112 eggs (240 in 1991).

Of course, the simplest solution is to get rid of the livestock, but sales could present difficulties because freezers are full of meat and many combines are refusing to accept livestock for slaughter. Peasants already regard animal husbandry as the least profitable branch of agriculture because production costs exceed the proceeds from sales.

It costs 190 rubles, for example, to produce a kilogram of beef in live weight, but the average price paid to farmers by processing enterprises is 28 rubles. The respective figures for pork are 146 rubles and 90 rubles, and the figures for milk are 26 rubles and 11 rubles. No processing enterprise can take the risk of raising purchase prices, however, because the purchasing power of the population is quite limited.

At a conference of agricultural administrators last week, Chairman Ivars Godmanis of the Latvian Council of Ministers said it was time to finally face the hard facts. It is not a normal situation when the amount of grain grown in our state is inadequate for the existing herd of livestock. "The West cannot constantly supply us with grain so that we can produce meat and send it back to the West," the premier said. The only way of gradually getting rid of superfluous livestock would entail the stimulation of exports to the maximum without using the services of commercial middlemen. The monopoly in processing and in sales to the Western market has to be eliminated.

"We have asked the European Community to help us sell the livestock we cannot afford to feed, but we want to do this in such a way that the livestock will not have to be plowed under and farmers will get money for the animals," I. Godmanis remarked at the conclusion of his statement.

#### **Poll on Ethnic, Non-Latvian Attitudes Cited**

93UN0231B Riga *DIYENA* in Russian 20 Oct 92 p 4

[Statistical Report: "Results of Latvian Residents' Poll, September 1992"]

[Text]

#### **Selection and Methods**

The representative selection of residents of the Republic was made with a poll based on the method of stratified random choice. The survey was conducted by 57 interviewers of the Latvian Social Research Center at the homes of the respondents, based on randomly-selected addresses (the principle of the random initial address was used). The mean number of respondents per interview was 19. The poll was based on the survey method, in the course of which respondents independently filled out the survey forms.

Range of the selection: 1,095 respondents. Period covered: 22-29 September.

**Breakdown of Respondents by Group:**

Sex:	
Women	59%
Men	41%
Age:	
Under 25	10%
25-34	21%
35-49	31%
50-64	26%
65 and older	11%
Nationality:	
Latvian	54%
Russian	34%
Other nationalities	11%
Place of residence:	
Riga	37%
Other Latvian cities	35%
Settlements, villages, rural areas	28%

**Rating of Parties and Movements in September 1992**

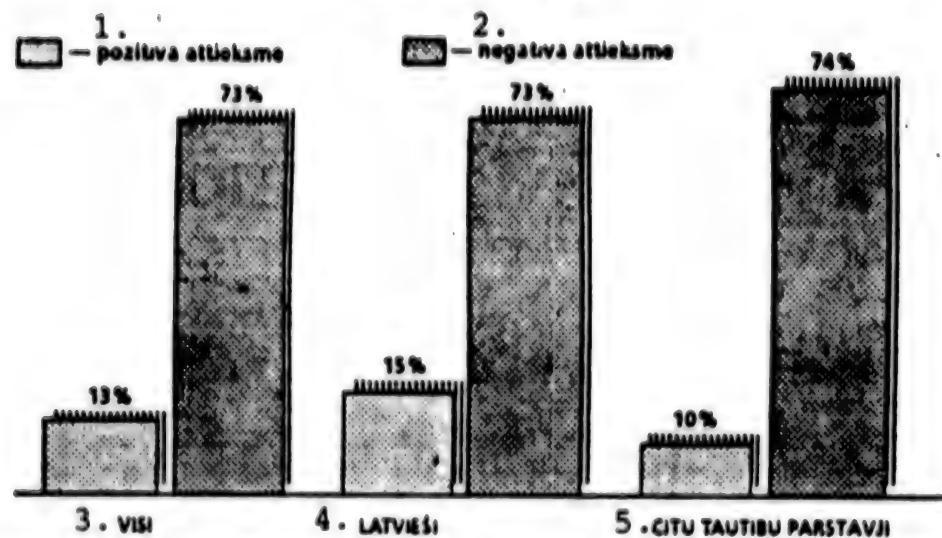
"Imagine the various movements and parties are participating in elections for the Saeima, each one with its own ticket of candidates for deputies. For what party or movement would you cast your ballot?"

(Only one choice allowed)

Each table included only parties and movements which were mentioned by even one percent of the answers of the respondents within the respective groups.

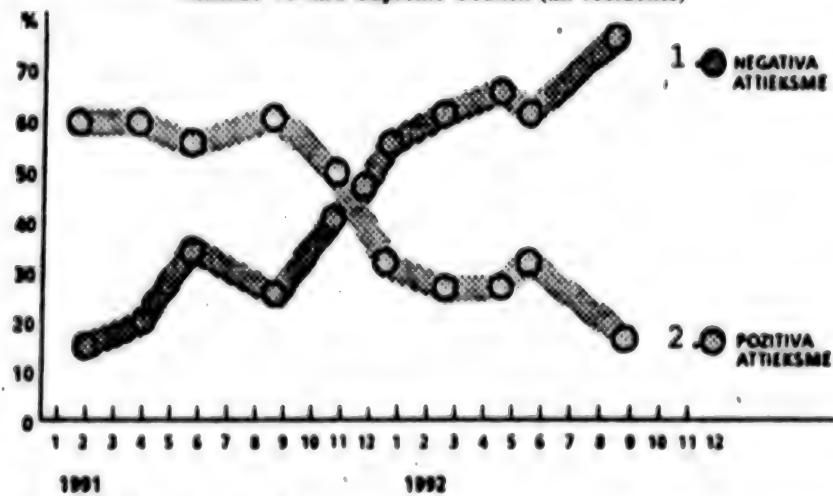
All respondents:	%	N = 1,095
Does not know, difficult to say	45.0	
None of those listed	12.4	
1. Peasant Union	7.9	
2. Latvian National Front	7.2	
3. Green Party	5.3	
4. Movement for Latvian National Independence	4.7	
5. Latvian Social Democratic Labor Party	3.7	

6. Latvian Labor Democratic Party	3.7	N = 594
7. Democratic Initiative Center	2.8	
8. Christian Democratic Union	1.2	
Latvians:	%	
Does not know, difficult to say	39.6	
None of those listed	10.1	
1. Peasant Union	12.6	
2. Latvian National Front	10.6	
3. Movement for Latvian National Independence	7.4	
4. Green Party	6.2	N = 495
5. Latvian Democratic Labor Party	2.9	
6. Latvian Social Democratic Labor Party	2.5	
7. 18 November Alliance	1.0	
8. Club 21	1.0	
Members of Other Ethnic Groups:	%	
Does not know, difficult to say	51.5	
None of those listed	14.9	
1. Democratic Initiative Center	5.7	
2. Latvian Social Democratic Labor Party	5.1	N = 763
3. Latvian Democratic Labor Party	4.6	
4. Green Party	4.0	
5. Latvian National Front	3.2	
6. Peasant Union	2.4	
7. Christian Democratic Union	2.0	
8. Movement for Latvian National Independence	1.4	
9. National Party	1.0	
Latvian Citizens:	%	
Does not know, difficult to say	42.3	
None of those listed	11.1	
1. Peasant Alliance	10.7	
2. Latvian National Front	9.2	
3. Movement for Latvian National Independence	6.2	
4. Green Party	5.1	
5. Latvian Social Democratic Labor Party	3.7	
6. Latvian Democratic Labor Party	3.3	
7. Christian Democratic Alliance	1.3	
8. Democratic Initiative Center	1.0	

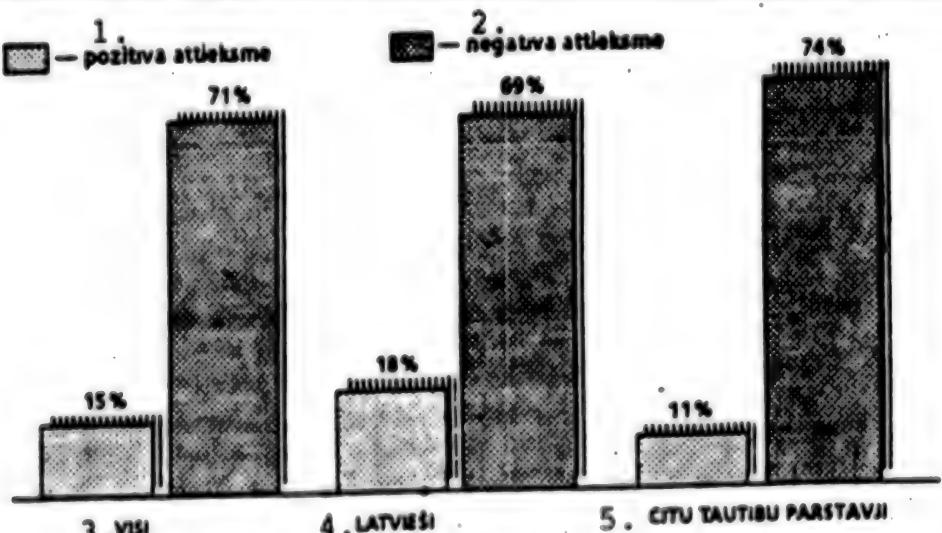


Key: 1. Positive attitude; 2. Negative attitude; 3. Total; 4. Latvians; 5. Representatives of other nationalities

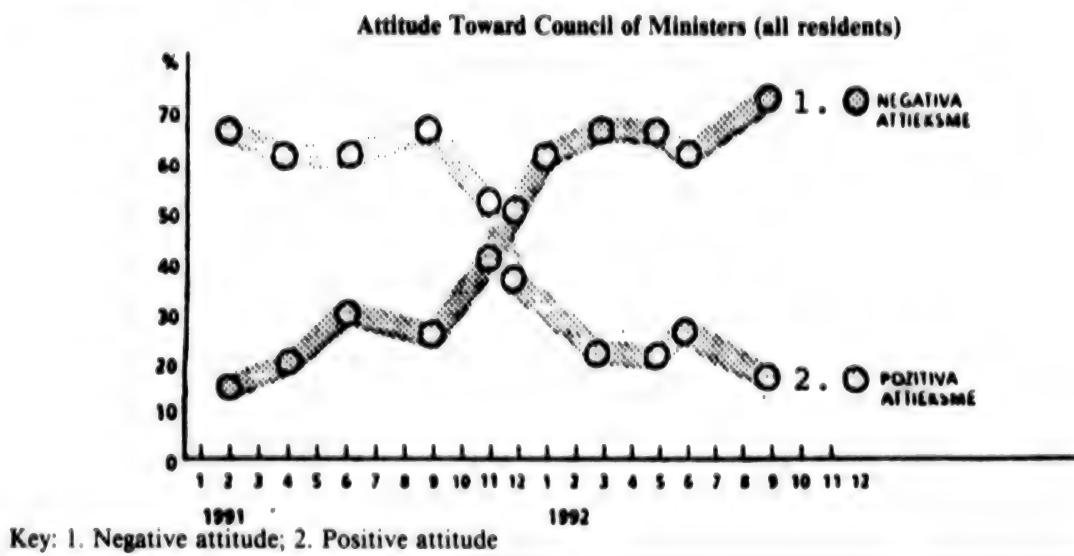
Attitude Toward Supreme Council (all residents)



Key: 1. Negative attitude; 2. Positive attitude



Key: 1. Positive attitude; 2. Negative attitude; 3. Total; 4. Latvians; 5. Representatives of other nationalities



#### Editorial Note

It is usual for democratic countries to clarify the viewpoint of society on various issues with the help of social polls. Such polls have not as yet become a tradition in Latvia. Although it is being said that the extent of accuracy of the polls is not particularly high, the experience of other countries indicates that it is thanks to such surveys that society obtains a broader idea of the issues it considers important.

This is confirmed by the poll conducted by the Latvian Social Research Center. It must be assumed that the government and the deputies would find it useful to determine similarities in the assessments of their work by the various social groups and ethnic communities. On the eve of elections for the Saeima the parties should take into consideration a fact revealed with this poll: At least one-half of the potential voters do not know or find it difficult to determine the party for which they intend to vote. Any comment on such indicators and figures would be improper without a thorough study. However, it seems to us that the results of the poll are sufficiently interesting to warrant their publication.

#### LITHUANIA

##### Provisions of New Constitution Examined

93UN03724 Vilnius LITHUANIAN WEEKLY  
in English 6-12 Nov 92 p 3

[Article by Juozas Zilys, Head of Legal Department, Lithuanian Parliament: "The New Constitution of the Republic of Lithuania"]

[Text] Following the recent constitutional referendum, which resulted in an overwhelming YES vote to the new Fundamental Law, Vytautas Landsbergis signed the new Lithuanian Constitution in a solemn ceremony held on November 6.

The First Article of the Constitution states that Lithuania is an independent and democratic republic. The following articles formulate the fundamental principle that the State of Lithuania is created by the People, and its sovereignty is vested in the People. No one may limit or restrict the sovereignty of the People or make claims to the sovereign powers of the People.

The new Lithuanian Constitution establishes the separation of powers. Article Five states that the powers of the States are exercised by the Seimas, the President and Government, and the Judiciary. The scope of powers is defined by the Constitution. Any law or statute which contradicts the Constitution is invalid.

The rights and freedoms of individuals and citizens are described in the three following chapters: The Individual and the State, Society and the State, and National Economy and Labor. They are based on internationally accepted legal principles and the western democratic concept of human rights and freedoms. The Constitution asserts that the rights and freedoms of individuals are inborn. The right to life of individuals is protected by law. Each person, his freedom, private life and dwelling place are inviolable. Property is also inviolable and the rights of ownership are protected by law.

The constitutional system of legal norms establishes the legal status of the Seimas, the President and Government.

The Seimas consists of representatives of the People—141 Seimas members who shall be elected for a four-year term on the basis of universal, equal, and direct suffrage by secret ballot. Any citizen of the Republic of Lithuania who is not bound by an oath or pledge to a foreign state, and who, on the election day, is 25 years of age or over and has permanently been residing in Lithuania, may be elected Seimas member, newly-elected Seimas members acquire all the rights of a People's representative only after affirming in the Seimas to be loyal to the Republic of Lithuania.

Pre-term elections to the Seimas may be held on the decision of the Seimas adopted by three-fifths majority vote of all the Seimas members. The President of the Republic of Lithuania may also announce pre-term elections to the Seimas:

- 1) if the Seimas fails to adopt a decision on the new program of the Government within 30 days of its presentation, or if the Seimas twice in succession disapproves of the Government program within 60 days of its initial presentation; or
- 2) on the proposal of the Government, if the Seimas expresses direct non-confidence in the Government.

When the President of the Republic announces pre-term elections to the Seimas, the newly-elected Seimas may, by three-fifths majority of all Seimas members and within 30 days of the first sitting, announce a pre-term election of the President.

According to the Constitution, the President of the Republic is the head of State. Any person who is a citizen of the republic of Lithuania by birth, who has lived in Lithuania for at least the past three years, who has reached the age of 40 prior to the election day, and who is eligible for election to Seimas member may be elected President of the republic. The President is elected by the citizens of the republic of Lithuania on the basis of universal, equal, and direct suffrage by secret ballot for a term of five years. Regular presidential elections are held on the last Sunday two months before the expiration of the term of office of the President of the Republic. The President may be prematurely removed from office only for gross violation of the Constitution, breach of the oath of office, or conviction of an offence. The Seimas resolves issues concerning the dismissal of the President from office according to impeachment proceedings.

The Government of the Republic of Lithuania consists of the Prime Minister and Ministers. The Prime Minister, with the approval of the Seimas, is appointed or dismissed by the President of the Republic. The Ministers are appointed by the President on the nomination of the Prime Minister. The Government must resign if:

- 1) the Seimas disapproves two times in succession of the program of the newly-formed Government;
- 2) the majority of all Seimas members express a lack of confidence in the Government or in the Prime Minister in a secret ballot vote;
- 3) the Prime Minister resigns or dies;
- 4) after Seimas elections, when a new Government is formed.

Resignations of the Government or individual Ministers are accepted by the President of the Republic.

For the first time in Lithuania's history a Constitutional Court is being established as an institution of constitutional supervision. The Constitutional Court will decide whether the laws and other legal acts adopted by the Seimas are in conformity with the Constitution and legal

acts adopted by the President and the Government do not violate the Constitution or laws. The Constitutional Court will consist of 9 judges appointed for an unrenewable term of 9 years. Every three years, one-third of the Constitutional Court will be reconstituted.

The new Constitution has chapters which regulate judiciary activities, functioning of local governments and administration, the state budget and finances, the system of state control, foreign policy and national defence. The final chapter of the Constitution describes the procedure of amending the Constitution.

Article 150 states that the constituent parts of the Constitution of the Republic of Lithuania are:

Constitutional Law "On the State of Lithuania" of February 11, 1991;

Constitutional Act "On the Non-Alignment of the Republic of Lithuania with Post-Soviet Eastern Alliances" of June 8, 1992.

The Seimas members will convene in a sitting on the third working day after the announcement of the Chief Electoral Committee, following both election rounds, that at least 3/5 of all the members of the Seimas have been elected. The Law "On the Procedure for the Enforcement of the Constitution" provides that the Seimas, by a majority vote of more than half of all members of the Seimas, may prolong the term for holding presidential elections from two to four months. During this period of time, Chairman of the Seimas will have presidential authorizations.

#### **Election Setback Gains Poles New Political Role**

93UN0372B Tallinn *THE BALTIC INDEPENDENT*  
in English 13-19 Nov 92 p 9

[Article by Andrzej Jeziorski in Vilnius: "Polish Influence Increases After Election Setback"]

[Text] Despite their election setback, Lithuania's Polish minority politicians may yet play a pivotal role in the newly-elected parliament.

As the second round of parliamentary voting approaches, it looks likely that the final balance of power may not be weighted as heavily in favour of the left-wing Lithuanian Democratic Labour Party (LDDP) as was suggested by the first round results. Because of this, the LDDP is looking for alliances with smaller parties, and the Union of Poles in Lithuania is a prime candidate.

The Christian Democrats have said that they will play no part in a coalition, while the Social Democrats are hesitant to be tarred with the "communist" brush. Thus, it seems that the Union of Poles, despite its relatively poor showing in the October 25 election, has suddenly become rather important.

The Union says that it is "fundamentally pleased" with the LDDP's first-round victory. "Not so much because the Democratic Labour Party won, but because Sajudis lost," says Union spokesman Artur Plotsko. He adds that the LDDP, unlike Sajudis, has never said or done anything overtly "anti-Polish."

"If the LDDP forms a coalition with other Lithuanian parties, then we will be involved," says Mr Plotsko. How this affects Lithuania's perception of its Polish minority—already labelled as "Bolsheviks" in the eyes of many—remains to be seen.

Until now, the Supreme Council's Polish faction has consisted of eight members. However, the final results from October's first-round poll left the Union of Poles with a mere 2.07 per cent of the vote. This grants it two out of the 70 proportionally-elected seats in parliament, plus one additional seat from the victory of Zbigniew Semenowicz, the Union's candidate in the largely Polish district of Salcininkai.

Even in this district, the most striking aspect of the result was the fact that little over 40 per cent of residents bothered to vote at all—compared with an impressive 72 per cent turnout nationally.

Union spokesman Zbigniew Stwol is nonchalant about this seeming apathy from the 258,000-strong Polish community's heartland. "We are not interested in all that," he says. "What matters is that we won."

He explains the smaller number of Polish seats in the new Seimas by pointing out that there were 17 parties standing, generating intense competition and dividing the vote. He says he is pleased with the Union's performance in the polls, and points out that Polish candidates are still standing in two constituencies which are to be decided in the second round of voting on November 15.

One of these is Ryszard Maciejkaniec—a senior committee member in the Union of Poles in Lithuania and chairman of the Supreme Council's Polish faction. As number one on the Union's party list, he is already guaranteed a seat in parliament.

Mr Maciejkaniec believes that Lithuania still fails to treat the Polish minority fairly. He says that the country has a "tendency to go against international and human rights" in its treatment of Poles, arising from lingering bitterness about the Polish occupation of Vilnius between the wars.

His main concern is over the government's redefinition of Lithuania's electoral boundaries, which has divided the largely-Polish Vilnius region into a number of smaller districts incorporating a substantial Lithuanian population. This follows the government's dissolution of the Vilnius and Salcininkai regional councils, in reaction to the Polish community leaders' open support for the hard-line communist putsch in Russia in August 1991.

Friction also arises from attempts by Polish families to reclaim property acquired during the inter-war years. The Lithuanian government maintains that no valid property records exist from this period.

More bad feeling has resulted from the Lithuanian government's decision not to register a veterans' club for ex-soldiers of the Polish resistance from the Second World War. A ludicrous decision, say the Poles, given that a similar club has already been licensed in Germany.

For their part, Lithuanian officials say that no Polish complaints have been upheld by outside bodies, and complain about Poland's heavy-handed tactics on issues such as the two countries' common border, and the small Lithuanian minority in northeast Poland.

## REGIONAL AFFAIRS

### Baltics Seek To Consolidate Defense, Security

93UN0375A Riga *THE BALTIC OBSERVER*  
in English 22-28 Oct 92 p 11

[Article by Atis Lejins, head of Latvian Institute of International Affairs: "Towards A Common Security Structure"]

[Text] The Baltic states, having regained their independence, are now seeking to rebuild and consolidate their defense and security structures. However, progress is occurring painfully slowly in this field, and outside assistance is slow in coming. In fact, the Baltic countries have been recognized as equal members of the international community in all aspects, except one, i.e., the ability to defend themselves. And as the world is structured now, military preparedness is essential for any nation's security.

An example of each country's need for an adequate defense structure can be found in Europe itself. There is a real war going on in former Yugoslavia. But if Bosnia had been better armed, Serbia would have thought twice before attacking that country.

Take another example. Even though the Cold War has ended, no Western country has reduced its armed forces to a large extent. Finland is even increasing its military potential. In this light, the efforts made by the Baltic states to augment their own inadequate defense structures are nothing out of the ordinary.

How will the Baltic states fit into the new security structures of Europe? NATO is not planning to admit any new members in the near future, but its limited assistance to the Baltic countries (mainly in the field of advice) has been extremely valuable for the Baltic states and, in my opinion, beneficial for both sides. (It will be interesting to see whether NATO sends observers to Lithuania, as President Landsbergis has asked, in order to monitor the withdrawal of Russian army troops.)

NATO is an excellent example of successful military cooperation. NATO's experience, which has united countries that were once at war with each other, could be a useful example for the Baltic states to follow in establishing closer military relations.

On June 2 of this year in Parnu, Estonia, the Defense Ministers of the Baltic states signed a treaty on military cooperation. It includes joint military maneuvers and unified control of Baltic air space, sea and land borders. These grand intentions will be difficult to carry out in practice, however, if the West does not help, both with experience and equipment. Before a state can participate

in international defense and security agreements as a serious partner, it requires adequate, functional military structures.

A symbolic attempt at coordination was evident at this year's August 23 parade in Riga, where the armies of the three Baltic countries took part in a joint parade, commemorating both the year that had passed since the reestablishment of independence, and the date 53 years ago when Hitler and Stalin delegated the Baltics to the Soviet sphere of interest. This was the first time in the history of the Baltic states that an all-Baltic military parade was held, and is only the first manifestation of the close military coordination that will hopefully follow.

Reestablishing national armies in conditions when there have been none for over half of a century is not proving to be easy. For the past fifty years, young men were called up in the Soviet Army and Baltic officers were taught in Soviet military schools which taught Russian military traditions. Western knowledge and training would provide alternative and useful perspectives in military matters.

The West could also help with equipment. Russia is not likely to compensate the Baltics for destroying their military structures in 1940, and the three countries themselves are too poor to purchase all of the equipment they need in several places along Latvia's eastern border, voluntary and poorly equipped Home Guards are manning the border crossings. They should be merely a stopgap measure until professional border guards can be properly trained and equipped.

The end of the Cold War has led many Western countries to trim down their armies and navies. The Baltics would be more than grateful for some of this now surplus equipment as military aid. Countless Third World governments and guerrilla groups, most of them anti-democratic but also anti-communist (anti-communist was the key word here), have been relying on Western military assistance for their survival. The Baltic states have the advantage of being not only free-market oriented (and thus, anti-communist), but also democratic (another anti-communist feature).

These three countries never were and never will be a military threat to Russia. If they are successful in their political and economic reforms, they could be a positive example to other post-Soviet republics.

The West has to date provided only limited assistance to the Baltic countries, and the Western Europeans have still not decided what role the Baltics will play in the new European security structure. The Baltics, however, cannot wait forever.

#### Weekly Report on Russian Troop Activities in Baltics

93UN0375B Tallinn *THE BALTIC INDEPENDENT*  
in English 30 Oct-5 Nov 92 p 3

[Compiled by Lya Oll: "Troop Watch"]

[Text]

—Russian air force planes continued unauthorised flights in Lithuanian airspace: 15 flights were registered on October 19, twelve on October 20, eleven on October 21, twenty-six on October 23.

—Lithuanian border guards denied entrance to a group of Russian army generals and colonels who tried to cross the border from Latvia to Lithuania at Joniskis; the men, presumably from military unit No 41582, had no entry permits and refused to show their IDs and threatened to "bring the Lithuanians to order" (October 15).

—Lithuanian police detained three Russian army soldiers from military unit No 49689 in Samara, Russia, who stole three TV sets from a freight train at the Radviliskis railway station, central Lithuania (October 20).

—A group of Russian army officers from the coastal defence division in Klaipeda announced on Russian television that they will not leave Lithuania until adequate housing is provided for them in their new postings (October 25).

—Between October 19 and 26, Russian air force planes carried out 23 unsanctioned flights in Latvian airspace.

—A two-day round of Latvian Russian talks on the withdrawal of Russian troops from Latvia ended inconclusively on October 24; contrary to claims by the Russian delegation leader Sergey Zotov, no agreement was reached on the Skrunda ballistic missile early warning radar station which Russia wants to keep after the rest of the troops are withdrawn.

—The Russian navy communications unit No 31181 handed over its premises in Viimsi manor (October 26); local authorities have decided to restore the manor, which used to belong to the prominent Estonian army leader General Laidoner, and turn it into an Estonian War of Independence museum.

—Russian border guards turned over the Kasmu post on Estonia's northern coast (October 26).

—The Estonian delegation proposed setting up a special commission to study the safety of the nuclear reactors at the Russian naval base in Paldiski, northern Estonia, at the meeting of the nuclear safety work group of the Council of the Baltic Sea Countries in Helsinki (October 28).

#### Weekly Report on Russian Troop Activities in Baltics

93UN0375C Tallinn *THE BALTIC INDEPENDENT*  
in English 13-19 Nov 92 p 3

[Compiled by Lya Oll: "Troop Watch"]

[Text]

—Russian army Commander-in-Chief Yevgeny Shaposhnikov said the military withdrawal from the Baltic States should not be pushed because it could have explosive consequences for both Russia and the Baltic States; he also criticised appeals by Baltic governments to NATO

and the CSCE on the issue, as well as the holding of referendums on it (November 4).

—Russian air force planes continued unauthorised flights in Lithuanian airspace: eight flights were registered on November 2, four on November 3, twenty-two on November 4, twenty-three on November 5, six on November 7, and eight on November 8; between April 27 and September 27, Lithuanian officials have recorded 1,321 violations of the use of Lithuanian airspace by Russian air force planes, 18 of these endangered civilian flights.

—The 306th Independent Maintenance Battalion (unit 30139) of the Russian army was withdrawn from Siauliai; premises of army unit 20657 were handed over to Lithuanian officials (November 1-6). A total of 151 railway wagons with 78 units of military equipment and 19 transport vehicles were withdrawn from Lithuania during that period.

—A column of 21 Russian army trucks and a bus heading for Riga were turned back at the Latvian-Lithuanian border because they did not have the necessary documentation for entering Latvia (November 2).

—Russian air force planes repeatedly violated Latvian airspace: two unsanctioned flights were reported on November 2, one on November 3, five on November 5, two on November 2, and one on November 9; on November 3 an unspecified number of training flights were reported in the Daugavpils area between 11 am and 6 pm.

—A Russian army train with artillery equipment from army unit 42708 in the Russian town of Serpukhov crossed the Latvian border illegally and was detained by Latvian authorities in Riga (November 8); the equipment was meant for the maintenance unit based in Riga.

—Russian troops from unit 2294 tried to take ten Kalashnikov submachine guns AK-74 to Russia without proper permits and were detained by Estonian border guards (October 27).

#### Russian Troop Figures for Baltic Cited

93UN0375D Tallinn *THE BALTIC INDEPENDENT*  
in English 30 Oct-5 Nov 92 p 14

[Article by Pilar Wolfsteller: "Russia Gives Troop Figures"]

[Text] In an unexpectedly precise estimate of the difficulty of withdrawing ex-Soviet troops from the Baltic, a Russian delegate told an international conference in Tallinn on October 26-28 that Russia will require housing for 34,211 officers costing over 47 billion rubles.

Mr Simon Lunn, deputy secretary of the North Atlantic Assembly, quoted figures from Boris Bolshakov, deputy chairman of the Russian parliament's committee on defence and security at the end of the three day seminar held in Tallinn. However, after the conference it remained unclear whether the figure was the number of officers only, or if it included dependents as well.

The numbers came in response to questioning by Western countries at the seminar, "Stability in the Baltic Region," the fourth to be held. Russia also asked for aid of any kind to help build the flats.

Vello Saatpalu, Chairman of the Estonian Parliament's Foreign Affairs Committee, expressed frustration at Russia's foot dragging on the issue of the withdrawal of troops from Estonia's territory.

"I understand the problems of Russia very well, but we can't help them. Why should we? It's their problem. In 1940 when they came in they found places to stay in one day. Now it's difficult for us to understand why they can't find homes for their officers and families in their own country," he said.

Jose Lello, a parliamentarian from Portugal and vice president of the North Atlantic Assembly, said that the seminars on the Baltic States are designed to bring all sides together to start a dialogue. "We're not trying to be referees, but it's good to provide a forum."

In addition to discussing the withdrawal of troops from the region, members of the 20 delegations from both NATO and the former Warsaw Pact visited the Tondi barracks of a Russian unit in Tallinn. Moscow denied them a visit to the Paldiski nuclear base on the northern coast.

Ceslovas Stankevicius, vice-president of the Lithuanian Supreme Council, linked the fate of Russian soldiers to that of Lithuanians who were deported to Russia during the Soviet regime. "Lithuania sees this as a bilateral matter," he said. "Russia is currently in violation of the rights of many Lithuanian families who were unjustly deported."

If Lithuania will be required to give Russia some compensation for the removal of its soldiers from Lithuanian soil, he added, "then it's not Russia, but rather Lithuania who will need assistance."

#### Russia Moves To Establish State Border With Baltics

93UN0375E Tallinn *THE BALTIC INDEPENDENT*  
in English 13-19 Nov 92 p 3

[Unattributed article: "Russia Moves Closer"]

[Text] Russia has moved closer to making its current administrative frontier with Estonia, Latvia and Lithuania into a state border, following a decision by the parliament in Moscow on November 4. The resolution said that as the Baltic States had imposed a "tight visa requirement," Moscow would now impose a "strict border regime." Estonia and Latvia do not recognise the post-war borders of the Estonian and Latvian SSRs, having lost small but significant portions of territory to the Russian Federation following the Soviet annexation.

In another development, the speaker of the Russian parliament, Ruslan Khasbulatov, has denounced the 1920 Tartu Peace Treaty between Soviet Russia and Estonia (in which Russia recognised pre-war Estonia's independence and borders), and said it should be declared "null and

void." Speaking in Ivangorod (once the Estonian Jaanilinn), he said the treaty was harmful to Russia and had been signed under "unfavourable conditions." Mr Khasbulatov is the most senior Russian politician to date to denounce the Tartu treaty, which has been the basis for Estonia's diplomatic stance towards Moscow.

Both the Estonian and Latvian authorities have made efforts to extend their policies to cover citizens still living in the lost territories. Latvia's privatisation policy (see story on page 5) allows citizens living in the Abrene region to receive privatisation vouchers, while Estonia laid on buses to enable Estonian citizens of the Setu region to vote in the September 20 parliamentary elections.

### Baltic Energy Summit Discusses New Reactor for Ignalina

93UN0375F Tallinn *THE BALTIC INDEPENDENT* in English 13-19 Nov 92 p 6

[Article by Andrzej Jezierski and Lya Oli: "Energy Ministers Plan New Reactor at Ignalina"]

[Text] Baltic energy officials are discussing plans to build a third reactor at the much-criticised Ignalina nuclear power station in Lithuania.

The announcement comes three weeks after one of the Chernobyl-style RBMK reactors at the site, which generates over half of Lithuania's electricity, had to be shut down following a leak of radioactive gas. Lithuanian officials have said in the past that the power station will be closed down on environmental grounds.

The plans were discussed at an energy summit attended by representatives from the three Baltic States and Belarus, held in Klaipeda, Lithuania, in the first week of November. Following the meeting, Estonian Deputy Energy Minister Arvi Hamburg defended the plan, saying that the Baltic region must consider the future, when Estonia's oil shale deposits may be depleted, making thermal power uneconomical.

Lithuanian Deputy Energy Minister Saulius Kutas added: "I think that in Lithuania we must use nuclear energy. These questions are under discussion, and will be more clear when we put forward our energy strategy in July or August." Mr Kutas said that any new reactor would not be of the discredited RBMK design.

Jan Nistad, head of the Swedish nuclear inspectorate's (SKI) co-operative programme with Lithuania, said that the construction of a new generating unit on the site is a strategy to avoid a potentially-disastrous "brain drain" of the mostly-Russian scientists and technicians who work at Ignalina.

Mr Nistad said that mounting pressure to shut down RBMK reactors means that these experts may feel that they have no future in Lithuania. "If they leave, you have

a reactor which is not the safest in the world, operated by inadequately-trained people—that would be a horrific situation," said Mr Nistad.

Other projects discussed at the summit included the construction of a gas pipeline across the Gulf of Finland, carrying natural gas from Norway to all three Baltic States. Another gas pipeline could bring gas from Russian deposits on the coast of the Barents Sea. Mr Hamburg said that there is an unused 50 billion cubic metre gas tank in Latvia now, and this volume could fulfil Estonia's requirements for 45 years.

Baltic geologists met in Siauliai, Lithuania, on November 10 to discuss oil drilling. Lithuania has announced plans to begin drilling oil fields in the southwest, bordering Kaliningrad, while Estonia is still considering drilling for oil believed to be under the sea between the islands of Hiumaa and Saaremaa.

### Estonia, Latvia Join Interpol

93UN0375G Tallinn *THE BALTIC INDEPENDENT* in English 13-19 Nov 92 p 13

[Unattributed article: "Interpol Membership Heralds Baltic Crime Crackdown"]

[Text] Estonia and Latvia have been accepted as members of the international police organisation Interpol, writes Andrzej Jezierski.

The two Baltic countries joined, along with nine other nations—most of them from the former Soviet Union—on the first day of the 61st annual session of the Interpol General Assembly in Dakar, Senegal, on November 4.

Chief Inspector Juri Nurme of the Estonian police department said the two Baltic States will pay an initial 65,000 Sfr (US\$46,600) each to join the organisation, which co-ordinates the national police forces of its member states, and offers information and assistance in crime fighting.

According to Mr Nurme, Estonia's membership of the organisation is a positive step which will improve the efficiency of police operations and help crack down on organised crime—which he said is largely co-ordinated from Russia. The Finnish Interpol bureau has already sent Estonia an information pack to assist in police inquiries, including descriptions of known criminals.

The meeting opened with an address from President Abdou Diouf of Senegal, who stressed that the fight against drug trafficking must remain a priority. Although drug use is not a major problem in the Baltics, Mr Nurme said that the Baltics are commonly used as "transit countries" for drugs produced in the southern regions of the former Soviet Union which are then sold in Scandinavia, where dealers can charge higher prices.

He added that illicit trafficking in metals and timber is also common in the Baltic States, and Interpol will help control this. But burglary remains the biggest cause for police concern in both Estonia and Latvia.

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